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CHINA.

THE MARITIME CUSTOMS.

IV.—SERVICE SERIES: No. 69.

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Documents illustrative of the Origin,  
Development, and Activities of the  
Chinese Customs Service.

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VOLUME V:  
Inspector General's Circulars,  
1932 to 1938.

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*Issued by Order of the Inspector General of Customs.*

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SHANGHAI:  
STATISTICAL DEPARTMENT  
OF THE  
INSPECTORATE GENERAL OF CUSTOMS.

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1939.



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# Documents illustrative of the Origin, Development, and Activities of the Chinese Customs Service.

## SEMI-OFFICIAL CIRCULAR No. 82.

Foreign re-exports to Manchuria *via* Dairen: progress of negotiations  
with Kwantung Government for recognition of Exemption  
Certificates; I.G.'s comments and instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 23rd January 1932.

SIR,

In § 12 of Circular No. 4197\* it was recorded that, following the abolition of drawbacks, a special procedure was being arranged to cover re-exports of foreign goods to Dairen, and that this procedure would be announced in due course.

Before the drawback system was cancelled, I proposed to the Government that re-exports of foreign cargo to Dairen should be covered by Exemption Certificates, which would permit the goods concerned to enter Manchuria without paying an additional import duty. The Government did not see their way to adopting my proposal, with the result that foreign goods sent from a treaty port to Manchuria *via* Dairen were compelled to pay a second duty when crossing the frontier of the Kwantung Leased Territory.

This situation led to conversations between the Chinese and Japanese Governments, and in September 1931 I was confidentially advised that the Chinese Government were prepared to authorise the issue of Exemption Certificates to duty-paid foreign goods re-exported from a treaty port to places in Manchuria *via* Dairen, provided that mutually agreeable arrangements for the adequate control by the Dairen Customs of such goods when passing through Dairen were made between the Customs and the Kwantung Authorities. I was instructed, furthermore, to enter into confidential negotiations with the Kwantung Government for the institution of a

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\* *Antea*, vol. iv, p. 427.

satisfactory procedure for the control of such cargo at Dairen, and I accordingly instructed the Dairen Commissioner to open negotiations with the Kwantung Authorities—indicating the lines upon which I wished him to proceed in order to secure adequate control by the Dairen Customs of foreign re-exports passing through Dairen.

Considerable progress had been made in these negotiations when, at the end of 1931, the Kwantung Authorities informed the Customs that they had never agreed to the double levy of import duty on foreign goods reimported into Manchuria *via* Dairen, and that they would insist that, for the present and until the issue of Exemption Certificates was mutually sanctioned, foreign cargo arriving at Dairen from a treaty port without Exemption Certificates must be permitted to pass into Manchuria without further payment of import duty if the Kwantung Government are satisfied that such duty has already been paid.

The situation, then, is that the Chinese Government have sanctioned in principle the extension of the Exemption Certificate system to re-export *via* Dairen, but in the meantime and pending satisfactory arrangements for the adequate control of foreign re-exports, the Kwantung Authorities decline to recognise the Customs right to levy import duty on such goods when entering Manchuria. It is, of course, a case of the use of *force majeure*, and for the present there does not appear to be any redress against the somewhat precipitate action of the Kwantung Government.

I have instructed the Dairen Commissioner, therefore, to continue negotiations with the Kwantung Authorities and to endeavour to effect a suitable arrangement for the control of foreign re-exports passing through Dairen, and, when a satisfactory agreement has been reached, I shall request the Chinese Government to sanction it officially. For the time being, however, I am not prepared to issue official instructions to the ports to alter procedure in respect of the existing treatment of foreign re-exports to Dairen. Duplicate Applications for foreign re-exports to that port must continue to be marked "To pay," but it will be of considerable assistance to the Dairen Customs if the ports are careful to see that, wherever possible, particulars of payment of import duty are recorded on the duplicate Re-export Applications. In other words, cargo which, if it were being sent to any other treaty port, would be entitled to "E.C." treatment, is, when sent to Dairen, to be marked "To pay," but relative duplicate Applications should invariably show particulars of import duty payment.

You will probably be approached by merchants with inquiries concerning the treatment now accorded to re-exports to Manchuria *via* Dairen. In reply to such inquiries, you may state informally that you understand that duty-paid foreign goods are being passed, provisionally, without further payment of duty at Dairen—but in no circumstances are you to make any official statement or to issue any notice or notification on the subject.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

SEMI-OFFICIAL CIRCULAR No. 83.

**Vessels: Customs-owned: Japanese Naval Authorities undertake not to interfere with movements of; copy of relative correspondence appended.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 8th February 1932.

SIR,

In view of the military and naval operations now being conducted in various parts of China, I recently requested His Excellency the Japanese Minister to approach the Japanese Naval Authorities and request them not to restrict the free movement of the Customs steamers, and I have received his assurance that they will not be interfered with.

A copy of the relative correspondence is appended for record, and it will be observed that, for the time being and where necessary, such vessels are to exhibit a signal at the fore, or where best seen, establishing their identity.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

*Sir Frederick Maze to His Excellency Monsieur M. Shigemitsu,  
dated Shanghai, 5th February 1932.*

SIR,

I have the honour to subjoin for Your Excellency's information a list of Customs lights steamers, which are engaged in serving the lights of China—a work of international as well as of local importance.

For the present, these vessels are based on Shanghai, and I request Your Excellency to be good enough to notify the Japanese Naval Authorities accordingly and request them not to interfere with the free movements of the ships in question.

I may add that each of them will fly the following signal at the fore (International Code):—

“Chinese Customs Lights Tender”: IPD KGR QRO XNY.

I have, etc.,

F. W. MAZE,  
*Inspector General of Customs.*

## LIST OF CUSTOMS LIGHTS TENDERS.

<i>Chuentiao</i> . . . (專 條)	<i>Haihsing</i> . . . (海 星)
<i>Liuhsing</i> . . . (流 星)	<i>Chunhsing</i> . . . (春 星)

*His Excellency Monsieur M. Shigemitsu to Sir Frederick Maze,  
dated Shanghai, 5th February 1932.*

SIR,

I have the honour to acknowledge the receipt of your note of the 5th instant concerning the Customs lights steamers, and to state in reply that the Commander of the Japanese Navy in Shanghai, to whom I have communicated the matter, has agreed to take necessary measures so that the free movements of the vessels in question may not be interfered with.

I have, etc.,

M. SHIGEMITSU,  
*H.I.J.M. Minister to China.*

## CIRCULAR No. 4391 (SECOND SERIES).

Provisional Regulations governing Towed Traffic between Hongkong  
and Canton Delta: revised regulations sanctioned  
by Ts'ai-chêng Pu.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 12th February 1932.

SIR,

Article 1 of the Provisional Regulations governing Direct Steam and Motor Vessel Traffic, with or without Tows, between Hongkong and the Canton Delta, appended to Circular No. 4207,\* provided special and provisional privileges not only for towed lighters and junks, but also for motor lighters, irrespective of tonnage, to trade between Hongkong and ports open to foreign trade in the Canton delta *via* the Maritime Customs stations at Lintin or Taishan.

While, in the case of motor lighters of less than 100 tons, these regulations conferred a real privilege by permitting them to trade between a foreign country and China, even when operating without tows, the new regulations placed a serious restriction on motor lighters of 100 tons and over—which had formerly traded under West River Regulations—by forcing them to trade *via* Lintin or Taishan.

The inclusion of motor lighters of 100 tons and over in the above rules elicited protests from the owners of such craft, who claimed that these vessels should not be forced to trade *via* Lintin or Taishan, but should be treated as steamers and permitted to trade under West River Regulations. These protests led to a reconsideration of the question, in the course of which it was discovered that the Chinese Government Navigation Bureau classifies motor lighters as steamers. In view of the Navigation Bureau's classification, it was obvious that the Customs was in an untenable position in attempting to discriminate between motor lighters and ordinary steamers engaged in the Hongkong-Canton delta traffic, and I therefore recommended to the Kuan-wu Shu that the Provisional Regulations be modified accordingly.

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\* *Antea*, vol. iv, p. 450.



From the appended copy of Kuan-wu Shu despatch No. 6705 you will observe that the Shu has now ruled that Article 1 of the Provisional Regulations is to be altered to read as follows:

“Steam-launches or motor-boats or self-propelled lighters, without restriction as to tonnage, when towing lighters or junks are specially permitted provisionally to trade between Hongkong and ports open to foreign trade in the Canton delta (Canton, Chung Shan, Samshui, Kongmoon, and Wuchow) *via* the Maritime Customs stations at Lintin or Taishan”;

and that motor lighters (except when engaged in towing) are to be treated as ordinary steamers, *i.e.*, if of 100 tons or over, they may engage in foreign trade, but if of less than 100 tons, they are to be prohibited from engaging in trade between China and foreign ports.

I append copy of the amended regulations, drawn up in accordance with the Kuan-wu Shu's instructions and sanctioned by the Ts'ai-chêng Pu. You will notice that their title has been changed to “Provisional Regulations governing Steam and Motor Vessel Towed Traffic between Hongkong and the Canton Delta.” Except for the alteration of Article 1 of the Regulations, the only modification is in Article 2, whereby vessels engaged in towing are now permitted to carry cargo under sealed hatches.

The amended regulations are to come into force on 1st March 1932.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE No. 1.

財政部關務署指令政字第六七〇五號中華民國二十年十一月三十日

令總稅務司梅樂和

二六九八號呈一件請將管理香港與珠江口各通商口岸往來小輪章程內所列馬達駁船予以刪  
除由

呈悉應准將該總稅務司前送該項章程第一條改爲「凡拖帶駁船民船之小輪或電船或馬達駁船不論噸數多寡均暫時特准在香港與珠江口各通商口岸間（如廣州中山港三水江門梧州等處）經由伶仃大鏟等關卡往來行駛」馬達駁船應視爲尋常船其在一百噸以上者准其行駛在一百噸以下者概禁行駛仰即遵照修改並繕具正本呈送備案此令

管理香港與珠江口各通商口岸往來拖船暫行章程

總章

一、凡拖帶駁船民船之小輪或電船或馬達駁船不論噸數多寡均暫時特准在香港與珠江口各通商口岸間（如廣州中山港三水江門梧州等處）經由伶仃大鏟等關卡往來行駛

二、上項拖船一概不准搭載旅客但有可加封之貨艙者得准予載貨

三、凡船隻在伶仃大鏟二關卡下午六時以後雖繳納特別准單費亦不准結關或起卸貨物倘到口遲晚船貨不能在下午六時以前由關查驗該船即須在口內停泊俟次日上午再行辦理

四、凡拖船及其所拖帶之駁船或民船如查有妨害稅收情事海關得將其充公或並科以他項處罰以示懲儆

### 進口辦法

五、前項拖船之船主或代理人於每次在香港開行以前應向在香港之九龍關辦事處請領小輪特別准單並應由九龍關及經過之九龍關所屬各關卡將該輪一切詳情備函交郵通知指運口岸之海關以便查驗

六、前項拖船不論噸位之多寡應一律在伶仃或大鏡地方由海關查驗照征進口正稅然後發給已完進口正稅之憑單至其所拖帶之駁船應由該處海關將貨艙加封俟到達指運口岸時先向所經該口之第一關卡呈報進口然後向總關報請查驗

### 出口辦法

七、前項拖船出口時應在結關之口岸報請海關查驗完納出口正稅由關發給已完出口正稅之憑單其所拖帶之駁船應由關將貨艙加封俟在未入香港界內以前應到伶仃或大鏡地方海關呈報倘該地關卡認為有查驗之必要時仍須復受查驗

八、前項拖船每次出口其出口口岸之海關應將該船一切詳情備函交郵通知九龍海關

九、所有上述章程係屬暫行性質將來遇必要時得隨時修改或取消之

## ENCLOSURE No. 2.

PROVISIONAL REGULATIONS GOVERNING STEAM AND  
MOTOR VESSEL TOWED TRAFFIC BETWEEN  
HONGKONG AND THE CANTON DELTA.

1.—Steam-launches or motor-boats or self-propelled lighters, without restriction as to tonnage, when towing lighters or junks are specially permitted provisionally to trade between Hongkong and ports open to foreign trade in the Canton delta (Canton, Chung Shan, Samshui, Kongmoon, and Wuchow) *via* the Maritime Customs stations at Lintin or Taishan.

2.—Vessels engaged in towing lighters or junks are not permitted to carry passengers and may carry cargo only under sealed hatches.

3.—Working or clearance at Taishan or Lintin is not permitted after 6 p.m., even though Special Permit fee is tendered. Vessels arriving at these stations too late in the afternoon to allow of proper search and examination before 6 p.m. are to be detained overnight and examined next morning.

4.—Towing vessels and their tows found guilty of revenue offences will be liable to confiscation and/or other Customs penalties.

## IMPORT.

5.—Masters or agents of vessels of the above categories are required to apply in advance at the Office of Chinese Customs for Kowloon District in Hongkong for a Special Launch Permit for every trip to be made. The Custom House of destination is to be notified of all particulars by posted memorandum both from the Kowloon District Office and from the Kowloon station of call.

6.—All vessels of the above categories, of no matter what tonnage, are to be strictly searched and examined at Taishan or Lintin, where Maritime Customs import duty is to be paid and Duty Proof issued. Hatches of lighters are to be sealed by these stations after examination and duty payment. Vessels must report to the first Maritime Customs station of the port of destination, and again at the Custom House of destination for search and examination.

## EXPORT.

7.—Examination, and payment of Maritime Customs export duty, will take place at port of clearance, where Duty Proof will be issued and lighters will be sealed. Vessels are required to call at Taishan or Lintin before entering Hongkong waters, and re-examination will take place, if considered necessary.

8.—The Custom House of clearance is to notify the Kowloon Customs by posted memorandum of all particulars for every trip made.

9.—As permission is granted to towed craft to ply between Hongkong and Chinese ports open to foreign trade in the Canton delta only as a special privilege, the foregoing regulations are provisional and subject at any time to modification or cancellation.

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## CIRCULAR No. 4396 (SECOND SERIES).

**Mengtsz Customs: no change to be made in official names of Customs at Mengtsz and Yunnanfu; Commissioner to reside at, and administer affairs of Mengtsz Customs from, Yunnanfu, his office being known as Yunnanfu Office of the Mengtsz Customs; notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *24th February 1932.*

SIR,

With reference to Circular No. 4354:

Notifying that from the 1st January 1932 the head office of the Mengtsz Customs would be transferred from Mengtsz to Yunnanfu and that the Mengtsz Customs would be converted into a sub-office:

I append, for your information and guidance, copy of correspondence exchanged with the Kuan-wu Shu, from which you will see that, in deference to the wishes of the provincial government, no change will be made in the official status of the Customs at Mengtsz and Yunnanfu and that the official name of the former will therefore remain "Mengtsz Customs" (蒙自海關) and of the latter "Yunnanfu Sub-office of the Mengtsz Customs" (蒙自海關雲南府分關). From the 1st January 1932, however, the Mengtsz Commissioner will be in residence at Yunnanfu and will administer the affairs of the Mengtsz Customs from that place. His office, as distinct from the Yunnanfu Sub-office of the Mengtsz Customs, will be known as the "Yunnanfu Office of the Mengtsz Customs" (蒙自關駐省辦事處).

The instructions of Circular No. 4354 regarding the despatch to Yunnanfu of correspondence and telegrams addressed to the Commissioner of Customs, Mengtsz, remain unchanged.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE.

總稅務司呈 關務署文第二八四九號 中華民國二十一年二月一日  
呈為呈報事案本

財政部關字第三三四六號令開 照得原案等因 奉此 當經轉飭蒙自關稅務司遵照辦理去訖 茲據該關稅務司馬梯呈稱 奉令當經商請監督將總關遷省事宜 會銜布告 俾衆週知 惟監督意見以為蒙自關遷至雲南府並將原有蒙自關改為分關 事屬根本改變 省政府認為不甚相宜 莫若在雲南府設立蒙自關辦事處 則係海關內部問題 即無庸會同布告 職復往見省政府主席龍雲 據龍主席面告 若在省設立蒙自關 駐雲南府辦事處 稅務司駐省辦公 所有辦事處中應駐人數及處理關務等事 均可由關自行調度 如此辦理 於各方面大有裨益 本主席極表贊同 惟蒙自關與雲南府分關名稱 倘有改變 實於省府外交上諸多不利 萬勿更張 等語 職以在省設立辦事處 稅務司駐省辦公 在實際上即係總關遷省 自應照辦 免生枝節 故已於本年一月一日將蒙自關駐雲南府辦事處組織成立 所有雲南府分關人員亦經移併一處辦公 至蒙自海關名稱 仍舊貫本 加更改並已請由龍主席令飭蒙自縣長知照 理合具文呈請鑒核等情 據此 查蒙自關遷省一事 雲南省政府既以在省設立蒙自關駐雲南府辦事處較為妥善 毋庸改易 關名該關稅務司似可照辦 免滋異議 接據前情 理合據情備文呈報 鈞署鑒核 謹呈 財政部關務署長郭

財政部關務署指令關字第十九號 中華民國二十一年二月十七日

令總稅務司梅樂和

呈一件呈報關於蒙自關遷省一案 現已按照雲南省政府意見 改設蒙自關駐雲南府辦事處 請鑒核備案由

呈悉 查各省府制早已廢除 該處應改為蒙自關駐省辦事處 除由部令行該關監督知照 外 仰即轉飭遵照此令

## CIRCULAR No. 4398 (SECOND SERIES).

Returns: system of rendering and publishing, revised; statistics of foreign trade to and from abroad, compilation of, by ports to be discontinued; periodic Returns of Trade published by ports to cease at end of March quarter 1932; statistics of domestic trade in modified form called for; standard Application forms for domestic trade introduced; report on employees engaged in returns work called for; instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *3rd March 1932.*

SIR,

My Circular No. 4244:\*

Notifying the introduction of Monthly Returns of Foreign Trade and issuing instructions for the rendering and publishing of revised returns:

intimated that the revision of the returns of domestic trade, though also important, must perforce be deferred until the new plan for foreign trade statistics had progressed sufficiently to ensure that too great a dislocation of office routine would not ensue.

With the publication of Returns of Foreign Trade for the month of January 1932—a volume embracing some 90 pages and giving ample information of the foreign trade of China for all material purposes—the time has arrived to proceed one step further towards the ultimate aim of centralisation of all returns work.

From the date of receipt of this Circular, therefore, at your port, the work of recording statistics of trade to and from abroad is to be discontinued, and only those special periodic returns called for by various Circulars, etc., such as Return of Agricultural Products, [C.—219], are to be compiled and forwarded as heretofore. I have, however, to enjoin upon you the paramount need of taking due precautions to ensure that Statistical Copies of all Applications, whether for free or for dutiable cargo, are forwarded to the Central Returns Office and that such Applications contain all the particulars required. It would appear, moreover, that too little attention is being paid to the checking of values, while the information supplied under the headings “Country of Origin” and “Country of Final Destination” still leaves much to be desired. It is of the utmost

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\* *Antea*, vol. iv, p. 494.



importance that the Central Returns Office be supplied with accurate information, that the information be forwarded promptly, and that the mailing dates already indicated in Printed Note No. 547 be strictly adhered to.

Certain ports compile and publish daily, weekly, ten-daily, or other periodic Returns of Trade. In many instances the need for publication of these returns, at any rate on present lines, has to a large extent become unnecessary, and unless very cogent reasons are put forward for their continuance—in which case the matter is to be reported to me and further instructions are to be solicited, publication is to cease from the end of the current quarter.

Changes already made in the system of recording and publishing statistics of foreign trade and the suppression of Quarterly Returns of Trade render it obligatory that statistics of domestic trade be henceforth compiled in a modified form. Beginning with the month of January 1932, returns of

(a) Net imports of Chinese goods from other Chinese ports; and

(b) Exports (including Re-exports) of Chinese goods to other Chinese ports;

are to be compiled monthly on forms [E.—13] and [E. 15] respectively and forwarded promptly to the Statistical Secretary. The figures are to include movements of treasure. Care is to be taken that these statistics cover the same periods as laid down for the Monthly Returns of Foreign Trade, and my instructions in this connexion, already conveyed to you through the Statistical Secretary, are to be followed closely.

As it is my intention gradually to concentrate this work also in the Central Returns Office, new standard forms of Application for interport trade, [C.—4, 5, and 6], with Statistical Copies on yellow paper, [C.—4b, 5b, and 6b], have been prepared, and an initial supply is being forwarded to your address by the Statistical Secretary, to whom you are to submit particulars of your probable future requirements. These forms are to be introduced at all ports forthwith and Statistical Copies forwarded to the Central Returns Office, together with forms [E.—1] and [E.—4] as in the case of foreign trade.

Finally, you are to draw up and forward promptly by despatch a statement as per enclosed *pro forma*\* showing (1) the number of members of your staff engaged wholly or partly on returns work:

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\* Not printed.

(a) on the 1st June 1931 and (b) so engaged at present; and (2) the reduction of staff which the abolition of the recording of statistics or foreign trade will immediately render possible. In preparing this statement due regard must necessarily be paid to the staff required to be retained for the preparation of the special periodical returns already referred to.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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CIRCULAR No. 4399 (SECOND SERIES).

**Revenue: distinction between 5 per cent and additional  
duty abolished; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *3rd March 1932.*

SIR,

1.—With reference to Circulars Nos. 3858, 3881, and 3934:

Notifying the accounts treatment and the remittance procedure to be adopted in connexion with the collection of the additional import duty and surtaxes, etc.:

and to Circulars Nos. 4236,\* 4266, and 4340:

Relative to the introduction of the present Export Tariff and the disposition of the export duty collection:

I now confirm the instructions conveyed to you in my circular telegram of the 26th February 1932 to the effect that the distinction hitherto drawn between the 5 per cent and additional duties was to be discontinued as from 1st March 1932; that the balances in your Foreign Revenue and Additional Duty Accounts at the end of February 1932 were to be remitted for the credit of my bank accounts at Shanghai so that you could close these accounts with *nil*

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\* *Antea*. vol. iv. p. 467.

balances; that, as from 1st March, the full import, export, and interport duties as provided for in the tariffs, with the interport surtax and all recognised revenue payments including February's unsettled transactions (if any), were to be included in one account called "Customs Revenue Account"; and, finally, that the surplus funds of this combined duty account were to be remitted to the Central Bank of China, Shanghai.

2.—The fact that some of the domestic loans issued by the Government prior to the year 1929 were specifically secured on the surplus of the 5 per cent revenue rendered it necessary to maintain a separate account of the 5 per cent duty subsequent to the introduction of the new and increased tariffs. As is well known, however, the 5 per cent duty has for some time failed to be sufficient to meet even the prior claims of the foreign loans and indemnities secured upon it, with the result that there has been no surplus available for the service of these domestic loans. There was, moreover, no prospect of such a surplus in the future, and the Ministry of Finance therefore made provision for those loans heretofore considered as a special charge upon the surplus of the 5 per cent duties in a reorganisation scheme which has recently been promulgated relative to the interest and redemption service of all internal loans. As a result of this new arrangement, I was advised that the subdivision of the duty collection was no longer required and authorised to notify its discontinuance.

3.—The abolition of this duty distinction—which entailed double calculation of duty and the operation of several Revenue Accounts—will greatly reduce the work of duty collection and provides a long-sought opportunity to simplify the methods of preparing and submitting Revenue Accounts. Furthermore, it is evident from information on record at the Inspectorate that it should now be possible further to reduce the same categories of staff as were affected by the introduction of the new form of Duty Memo. (*vide* Circular No. 4345),\* *i.e.*, Clerks and Ho-shui-yüan.

As, therefore, the additional reports in the latter connexion, as called for by Chief Secretary's Circular Memorandum No. 77, have not yet been received and are likely to be considerably delayed in consequence of the abnormal conditions now existing at a majority of the ports, I have to instruct you, as soon as you are in a position to do so, either to submit comprehensive recommendations on the subject of your requirements in the matter of clerical staff on the lines laid down in the above-mentioned Memorandum or, in the

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\* *Antea*, vol. iv, p. 619.

event of your having already replied to that Memorandum, to submit by despatch supplementary recommendations in the light of the present instructions.

In this connexion I wish to explain that experience of the working of the Maritime Customs stations has shown that stations of any importance should be placed in charge of responsible Service-Listed employees and that it is my endeavour to fill this additional demand for Assistants and Clerks, as far as possible, without further recruitment and consequent increase in expenditure. I have accordingly to request your personal co-operation in this endeavour.

4.—A supply of a new set of the following forms, revised to meet the new conditions, will be sent to you by the Statistical Secretary as soon as they are printed:—

[B.—6], Report on Collection and Disposal of Revenue;

[K.—11], Chinese version of [B.—6];

[B.—7], Shanghai Tael Remittance Note;

[B.—7a], Gold Unit Remittance Note;

[B.—8], Monthly Revenue Return; and

[B.—9], Monthly Statement of Import Duty collected on Rolled Tobacco.

A change from former practice will be noticed in the decimal columns of these forms, which allow for only two places of decimals instead of three as formerly. In future, therefore, while you will continue to calculate duty to as many places of decimals as the tariff may require, the amount of duty to be recorded on the Duty Memo. as payable is to be limited to two places of decimals, either by dropping the third decimal when the third figure is under 5 or by increasing the second decimal by one unit when the third figure is 5 or over. This change is justified in view of the fact that modern Chinese banks only credit our accounts to two places.

5.—As all revenue is to be remitted in future to the Central Bank of China, Shanghai, the names of my accounts with this bank have been changed from—

Inspector General of Customs Revenue Suspense (Shanghai Tael) Account, and

Inspector General of Customs Revenue Suspense (Gold Unit) Account;

to—

Inspector General of Customs Revenue (Shanghai Tael)  
Account, and

Inspector General of Customs Revenue (Gold Unit)  
Account.

Your remittances are therefore, from the date of receipt by you of this Circular, to be made to these new accounts.

6.—It is here appropriate to record that, with reference to the Agreement ratified by the Chinese Government and the Diplomatic Body on 21st/30th January 1912 (*vide* Circulars Nos. 2108 and 2143),\* His Excellency the Minister of Finance has directed me in future to transfer on the 8th, 15th, 22nd, and the last day but one of each month from the Revenue Accounts with the Central Bank of China to the official Revenue Accounts maintained with the Hongkong and Shanghai Banking Corporation, Shanghai, such sums as are considered requisite for the purpose of meeting the commitments charged upon Customs revenue in respect of foreign loans and those portions of the Indemnity of 1901 which are still payable to foreign Governments or upon the security of which foreign loans have been negotiated. The continuity of the procedure which has been followed for many years in regard to meeting the foreign obligations secured on the Customs revenue is in this way fully assured.

7.—In Circular No. 3951† you were notified that oil companies were granted the privilege of paying all or part of the additional duties at Shanghai. This valuable concession was limited to the payment of the additional duties so that ports could rely upon receiving locally a part of the revenue payable by oil companies to meet the local appropriation of the office allowance, etc. While it is not proposed to extend at the present time the privilege as now enjoyed by these companies, I have to authorise you to use your discretion in the matter of the acceptance of payment from them in future of the whole or a part of the former 5 per cent duty equivalent also at Shanghai if it suits your purposes to do so.

8.—I have finally to request you to note that, although a separate account of the 5 per cent duties will no longer be kept, it must, nevertheless, not be assumed that the assessment and collection by the Customs of such dues as conservancy and wharfage dues, etc., as have been authorised by the Government on a 5 per cent basis are now automatically to be increased according to the rates of the new tariffs in use. The instructions of Circular

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\* *Antea*, vol. iii, pp. 146–154, 166–168.

† *Antea*, vol. iv, p. 220.

No. 3867 in this connexion still stand: the Government's sanction must be obtained before I can authorise you to collect such dues at increased rates.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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CIRCULAR No. 4406 (SECOND SERIES).

**Loans, Domestic: promulgation of National Government Mandate  
instructing I.G. to appropriate \$8,600,000 per mensem from  
Customs revenue for service of, recording.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 21st March 1932.

SIR,

I append, for your information and for purposes of record, copy of Ts'ai-chêng Pu despatch No. 6 transmitting the National Government's Mandate of 24th February 1932, instructing me to appropriate the sum of \$8,600,000 per mensem from Customs revenue for the service of the Domestic Loans.

A translation of the above despatch is also appended to facilitate reference.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE No. 1.

財政部訓令滙字第六號 中華民國二十一年二月十七日

令總稅務司梅樂和

爲訓令事案奉

國民政府本年二月二十四日命令內開自遼變發生以來各種債券價格因之暴跌國家財政社會經濟多受其困政府丁艱屯之會對於還本付息從未愆期迨上海事變繼起債市驟失流通金融亦陷停滯政府與民衆本是一體休戚相關安危與共際茲國難當前財政奇絀與其使債市飄搖無甯略減利息稍延償還日期俾社會之金融得免枯竭禦侮之財力藉可稍紓迭飭財政部與各團體從長討論就原頒之條例重擬適當標準並經決定每月由海關稅劃出八百六十萬元作爲支配各項債務基金其利息長年六釐還本期限按照財政部擬定程表辦理仰由行政院飭部轉令撥發基金之徵收官吏及總稅務司每月按期將各項債券本息如數撥付至本息還清之日爲止不得稍有延誤此乃政府與民衆維持債信調劑金融之最後決定一經令行永爲定案以後無論財政如何困難不得將前項基金稍有搖動並不得再有變更以示大信等因奉此合行令仰該總稅務司遵照辦理此令

## ENCLOSURE No. 2.

## TRANSLATION OF TS'AI-CHÊNG PU DESPATCH

滬字 No. 6 OF THE 27TH FEBRUARY 1932.

The Ts'ai-chêng Pu have received the National Government's Mandate of the 24th February, which states as follows:—

When the Manchurian incident took place all domestic bonds and treasury notes fell sharply in price as a result, and both the State's finances and the economic position of the general public were placed in great difficulty, in spite of which the Government never failed to make regular payments of principal and interest. But when this was followed by the Shanghai incident the bond market became suddenly paralysed, and the money market has come to a standstill. The Government and the people fundamentally are one; they share times of peace and danger in common. During this time of national crisis and financial stringency, rather than allow the bond market to plunge into a state of blind panic, it were better to make a slight reduction in the rate of interest and to lengthen the period for amortisation in order to save the general money market from ruin and give a certain measure of relief to the country's finances, which are straining under the burden of national defence. The Government accordingly have more than once directed the Ts'ai-chêng Pu to discuss the matter in detail with the various bodies concerned and to propose some suitable standard of revision for the various loans regulations, and have furthermore decided (1) to appropriate \$8,600,000 each month from Customs revenue to form a sinking fund for all Domestic Loans, (2) to reduce interest to 6 per cent per annum, and (3) to lengthen the period of amortisation in accordance with a schedule drawn up by the Ts'ai-chêng Pu. The Executive Council shall order the Ts'ai-chêng Pu to instruct the various revenue-collecting officials in charge of remittances to the said sinking fund and the Inspector General of Customs that the specified amount for payment of interest and principal on all the various domestic bonds and treasury notes is to be appropriated and paid over on the fixed date each month until such time as interest and principal have been fully paid, and that on no account whatsoever is there to be any



delay. This decision, the last to be reached between the Government and the people for the maintenance of China's bond credit and for the rehabilitation of the money market, shall be permanent. In future, no matter with what difficulties the country's finances may be faced, the above sinking fund shall not be disturbed to the smallest extent, and no further change shall be made, in order to promote general confidence.

The Ts'ai-chêng Pu direct the Inspector General to act accordingly.

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CIRCULAR No. 4410 (SECOND SERIES).

**Manifest Regulations:** further instructions re sealing of ships' stores, through cargo, etc. **Manifest:** standard forms of, to be gradually introduced; I.G.'s instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 31st March 1932.

SIR,

My circular No. 4179\* stated that the new regulations governing the entry of vessels and presentation of manifests had been approved by the Kuan-wu Shu and that the latter had issued orders that they were to be put into force for an experimental period from 1st February 1931; and at the same time I instructed you to submit to me in January 1932 a report on the working of these regulations during the period 1st February to 31st December 1931.

Perusal of the reports received reveals that the new regulations have been enforced without encountering serious difficulties anywhere and that the original object of their introduction has been attained to a large extent in that they have strengthened Customs control. In some ports, however, it would appear that full advantage has not been taken of the powers conferred by certain of the stipulations for closing possible loopholes for fraudulent practices, and, while it may not be a simple matter to apply a set of regulations to meet the conditions found at river and sea ports or to make their

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\* *Antea*, vol. iv, p. 378.

provisions fit both coastal and foreign trading vessels alike, nevertheless it is desirable to aim at uniformity of procedure at all our offices in so far as this ideal may be reached without creating avoidable or unnecessary restraints.

Some Commissioners report that it has not been found necessary to seal ships' stores, and, while this may be the case, this measure was introduced to put a stop to petty, though by no means negligible, smuggling of foreign goods from the ships' stores to shops and households ashore. There would also appear to be certain minor points that require attention in some of the ports. For instance, manifests written in pencil of whatever description should not be accepted. Erasures should not be permitted; if alterations are necessary, the original figure or description should be merely stroked out and permitted to remain legible, and such alterations should invariably be initialled by the master, who is, of course, held responsible for the correctness of the manifest. The description of cargo should be sufficiently detailed to admit of no doubt as to its exact nature; such terms, for example, as "Sea products" are too vague and, therefore, not admissible. The marking of numbers on each package should be enforced wherever the nature of the cargo or its packing permits of this practice. It does not seem to be generally recognised that "Merchandise consigned to Master" includes parcels for firms or private individuals carried as a favour by the captain of a vessel.

With reference to Rule 7—merchandise manifested but not in vessel—and to its elaboration as notified to you in my Circular No. 4298, the latter should be regarded, not as a hard-and-fast ruling, but as an interpretation of the original article, to be used for guidance should deliberate intent to defraud be suspected.

I find that at some ports the practice is not to insist upon the enumeration of "through cargo"—that is to say, cargo not transhipped but carried through by a vessel on her passage—on the manifest presented at the Custom House, so long as a manifest giving full particulars of all such through cargo is on board the vessel and accessible to the Customs if demanded. This practice may not prove detrimental where vessels only touch at one Chinese port on voyages between foreign ports, but it might lead to serious abuse if applied to the coast trade, and it would not be impossible for unscrupulous compradores of coasting vessels trading from a foreign port to enter on the through-cargo manifest, submitted at an intermediate port, cargo which is actually to be smuggled ashore at that port. At the next port the cargo would, naturally, no longer

appear on the manifest. To check this and other forms of abuse, an extra copy of the through-cargo manifest should be presented for endorsement by the Customs at each intermediate port and be carried on board for presentation at the final Chinese port of discharge, where any shortage would be noticed. The Customs should invariably be specially notified of any contraband being carried as through cargo and should be informed in which section of the ship it is stowed.

To implement the clause in Article 1 of the regulations that the manifest shall be in a form prescribed by the Customs, I have decided that it is desirable to employ standard forms for Import and Export Manifests ([C.—227 to 230]) at all Custom Houses, *pro formas* of which will be supplied to you by the Statistical Secretary for the guidance of the shipping firms at your port. I do not expect shipping companies to adopt these new forms immediately, but they should be requested when printing fresh supplies after their present stocks are exhausted to follow the Customs *pro formas* in so far as the size of the sheets, the information required thereon, and the arrangement of the various columns are concerned. In view of the varying circumstances of the different ports and the numerous types of vessels for which manifests must be presented, a definite ruling that all the various columns must be filled in cannot be laid down, as it is obvious that the illiterate junkmaster trading for himself cannot be expected to give such particulars as are required from companies operating ocean liners which have ample resources at their command for satisfying Customs demands, but our aims should be gradually to accustom shipmasters to use standard forms of manifests and in these to furnish us with full information for Customs purposes of the cargo carried in their vessels.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## CIRCULAR No. 4414 (SECOND SERIES).

**Ships' papers: issue of I.W.S.N. Certificates and River Passes to Chinese-owned vessels to cease from 1st June 1932; introduction of Clearance Applications and Voyage Books, instructions *in re*.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 8th April 1932.

SIR,

In Circular No. 4349\* you were informed that the Chiao-t'ung Pu had issued revised regulations governing the registration of, and issue of Certificates of Registration to, Chinese-owned steamers, in which it was laid down that the Customs were no longer to issue Ch'uanp'ai, I.W.S.N. Certificates, or River Passes to Chinese-owned vessels.

You were requested to give effect to the new regulations in so far as they concerned the issue of Ch'uanp'ai, but to continue to issue I.W.S.N. Certificates and River Passes pending the receipt of further instructions.

I now have to circulate, for your information and guidance, copy of Chinese correspondence exchanged with the Kuan-wu Shu, from which you will see that, in reply to my despatch pointing out that it was desirable for the Customs to continue to issue I.W.S.N. Certificates and River Passes in the interests of revenue control, the Shu informed me that the Chiao-t'ung Pu were of the opinion that the issue of these documents was contrary to law,† and inquired whether an alternative procedure could be devised which would preserve adequate revenue control for the Customs.

In reply, I submitted to the Kuan-wu Shu a scheme whereby Customs control of Chinese shipping could be effected by—

- (1) Requiring every vessel to present a special application to clear, stating the regulations (General, I.W.S.N., or River) under which she intended to trade, declaring her intended route, and specifying the nature of her cargo;
- (2) Requiring every vessel to carry a book in which a complete record of her voyages would be kept.

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\* *Antea*, vol. iv, p. 622.

† Articles 4 and 46 of the Code of Maritime Law, Article 7 of the Merchant Shipping Act, and Article 3 of the Registration of Shipping Act.

In despatch No. 6943 the Kuan-wu Shu now approve my proposal and instruct that the new procedure is to be introduced provisionally. I am therefore to request you to cease issuing I.W.S.N. Certificates and River Passes to Chinese-owned vessels as from 1st June 1932 and to introduce the following new procedure:—

- (1) The agent or master of a Chinese vessel clearing from an open port must present to the Customs a Clearance Application, a *pro forma*\* of which is appended, indicating thereon the vessel's destination, the route to be followed, and the regulations under which she will ply.
- (2) Every Chinese-owned vessel is to be provided with a Voyage Book,† of which a *pro forma*\* page is appended.

It will be seen that every double page of the Voyage Book consists of four parts:—

1. Clearance Permit.
2. Certificate of Arrival at Open Port.
3. Counter-signatures at Inland Places.
4. Counter-signatures at Foreign Ports.

This book will serve as a record of the voyages made and routes followed by Chinese vessels. Whenever a vessel wishes to clear, this book will be presented to the Customs, and, after payment of all dues and duties, the Clearance Permit (Section 1) will be signed and sealed. On arrival at the first open port the Customs will sign and seal the Certificate of Arrival at Open Port (Section 2). If the vessel is trading under I.W.S.N. Regulations, provision is made in the Voyage Book for the counter-signatures of Customs officers, local officials, or chambers of commerce at inland places at which the vessel stops (Section 3). Provision is also made (Section 4) for counter-signature of Voyage Books of vessels trading abroad by Chinese Consuls or foreign port authorities. While you should do everything possible to induce Chinese vessels to obtain these counter-signatures, the Customs are not yet in a position to make this procedure a formal regulation or to impose penalties for failure to comply therewith. It is hoped that future negotiations with neighbouring foreign countries will result in arrangements whereby better control of Chinese vessels trading abroad will be assured.

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\* Not printed.

† The introduction of the Voyage Book system proved so satisfactory that in October 1933 (*vide* I.G. Cir. No. 4734, *postea*, vol. v, p. 317) the Kuan-wu Shu decided to make it permanent. A new type of Voyage Book was then introduced from which the Clearance Permit and Certificate of Arrival at Open Port were omitted, and a uniform space for counter-signatures, whether at a foreign port, an open port, or an inland place, introduced.

In giving effect to this procedure, it is to be noted that when a vessel proceeds from one open port to another, whether direct or *via* inland places or abroad, the port of clearance will clear her only as far as her first open port destination, where she must again clear for her next destination. This rule, which may have to be modified in the case of river steamers, is designed to keep a close check on a vessel's itinerary and the time elapsed on her voyage.

After a six months' trial of the new procedure you are requested to inform me, by despatch, whether it has proved satisfactory at your port. Suggestions for improvements in the forms used or in the application of the system will, of course, be welcomed. It has, for example, been suggested that it would be advisable to send a duplicate copy of the Clearance Application by post to the open port of destination. I do not wish to adopt this suggestion—entailing, as it does, additional clerical work at the ports—unless it is considered by Commissioners to be of practical value.

In conclusion, I am to draw your attention to the facts that (1) the instructions now issued apply only to Chinese-flag vessels and that you are to continue your present practice regarding the issue of I.W.S.N. Certificates and River Passes to foreign-flag vessels, and (2) that, excepting that I.W.S.N. Certificates and River Passes will no longer be issued to Chinese vessels, the I.W.S.N. Regulations, Yangtze, West River, and Sungari River Regulations still remain in force both for Chinese and foreign vessels.

The Statistical Secretary is preparing a supply of Clearance Applications and Voyage Books, and you are now requested to indent for your initial requirements. The appended *pro forma*\* Clearance Application provides only for vessels clearing under General and I.W.S.N. Regulations, but the Statistical Secretary will supply Clearance Applications specially modified to include vessels trading under Yangtze, West River, Sungari River, etc., Regulations on special application by Commissioners at the ports concerned.

The public should be informed, by means of a joint notification, of the discontinuance of the issue of I.W.S.N. Certificates and River Passes to Chinese vessels and the introduction of Clearance Applications and Voyage Books.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* Not printed.

## ENCLOSURE.

財政部關務署訓令政字第六五八四號中華民國二十年十一月十日

令總稅務司梅樂和

爲令行事宜前據該總稅務司第二二七八號及二五六〇號兩次來呈以海關向發給各輪船之江照及內港專照實有繼續照發之必要請咨商交通部核准等情節經由部咨請交通部核復在案茲准交通部咨開查江照港照性質及內容與本部所發船舶執照國籍證書並航政局所給登記丈量檢查各證書及航線證不免重複而總稅務司所謂輪船品領港照或江照應將國籍證書及執照等交由海關收存一節核與海商法第四條第四十六條船舶法第七條輪船註冊給照章程第三條均有抵觸等因查該項江照港照前據該總稅務司聲稱於稅收有關自有繼續發給之必要惟國籍證書及執照等交存海關一節既經交通部聲明於海商法船舶法及輪船註冊給照章程有所抵觸該總稅務司對此有何意見或於上項辦法以外另籌一種妥善辦法以期推行盡利之處合亟令仰查照詳細核擬呈候察奪此令

總稅務司呈 關務署文第二七三九號中華民國二十年十二月十五日

呈爲呈請事案奉

鈞署政字第六五八四號訓令內開照錄原文等因奉此查交通部所發之船舶執照等項係按照各國通例訂定而各國稅法與中國多不相同故關於航行法規自未便以彼例此蓋中國海關稅法除航行內港之輪船應予免稅外其航行外洋者應徵出口稅航行彼此通商口岸者應徵轉口稅而出口稅率又與轉口稅不同故海關對於航行內港之輪船則發給港照對於航行長江西江等通商口岸之輪船則發給江照

俾免朦混取巧有損稅收惟此項執照雖足以示區別而各輪船特有國籍證書仍可潛由內港或長江等未開埠之地方裝載貨物由未設海關之港汶駛赴外洋並可由外洋運貨潛由此項港汶駛赴內港故雖發給前項執照亦屬無從防止遂不得不扣存其國籍證書以爲有力之制裁既扣存其國籍證書該輪無憑航行卽以海關所發之前項執照作爲航行內港或長江各口之憑證是以上兩項辦法必須相輔而行不可偏廢故自施行以來於海關稅收裨益良多此次交通部所發之船舶執照及航綫證等項對於由中國內港潛駛外洋及由外洋潛駛中國內港之輪船亦屬無從取締則其惟一之有效方法仍以由海關扣存輪船國籍證書分別換發前項執照爲宜若徒墨守各國成例不求實際而必將國籍證書常置船上則輪船轉得以散法漏稅殊失制定法規之本旨反復思維惟有懇請

俯賜轉商交通部仍照向來辦法由海關扣存輪船國籍證書分別換發前項執照以利推行而重國課惟此案誠恐交通部堅持成見當經擬具航商結關呈請書及行程簿辦法以資救濟其結關呈請書係作華籍輪船報請結關之用凡在通商口岸結關之華籍輪船由該船代理人或船長擬按照何項章程行駛駛赴何處及所經航綫逐一填明並聲明擔保該船遵守關章絕無走私漏稅情事簽具結關呈請書送由海關查核以憑准予結關其行程簿係記載華輪駛往地點及經過航綫之用此簿由海關發給計分三聯第一聯爲結關准單第二聯爲駛抵通商口岸證明單第三聯爲內地各機關簽證單如此則輪船行駛地點可以隨時查考互相印證自可杜朦混之弊惟此項辦法對於行駛內港之輪船仍難保毫無弊竇蓋內地各機關簽證固可假造海關無從稽考而不扣存其國



籍證書仍可由內港擅行駛赴外洋自不如向來辦法之完善倘交通部對於此次舉署聲敘理由實係不能諒解而加以駁復擬將此項救濟辦法特行試辦俟後察石情形再行酌奪期臻周妥所有擬請轉商交通部仍准由海關扣存輪船國籍證書分別換發江照港照並預擬救濟辦法各緣由是否有當理合繕同所擬按照海關行輪總章由中國口岸駛往外國口岸輪船結關呈請書及行程簿式樣各一份備文呈請

鑒核令示遵行謹呈

財政部關務署長張  
附式樣二份

財政部關務署指令政字第六九四三號中華民國二十一年一月三十日

令總稅務司梅樂和

呈一件海關扣存輪船國籍證書分別換發江照港照仍請轉商交通部照舊辦理并預擬救濟辦法請核示  
由

呈件均悉查前准交通部咨稱輪船請領港照江照應將國籍證書及執照等交由海關收存一節核與海商法第四條第四十六條船舶法第七條輪船註冊給照章程第三條均有抵觸等語是交通部對於海關扣存輪船國籍證書分別換發江照港照各辦法所持異議確有正當理由現在該總稅務司既經擬具航商結關呈請書及行程簿辦法以資救濟應准先行試辦可也此令附件存

## SEMI-OFFICIAL CIRCULAR No. 86.

**Tariff Secretariat: review of accomplishments since establishment in 1929; I.G.'s appreciation of work performed by Mr. C. Bos, Tariff Secretary, and Commissioners and Staffs.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 26th April 1932.

SIR,

Circular No. 3935\* announced the creation of a Tariff Secretariat in the Inspectorate General of Customs, to deal with Tariff problems, to ensure greater uniformity in the classification and valuation of products at the ports, and to increase the efficiency of the Examining and Appraising Staffs; and at the same time notified the appointment of Mr. C. Bos† as Tariff Secretary.

The departure of Mr. Bos on home leave provides an opportunity to review briefly the accomplishments of the Tariff Secretariat since its inception some three years ago, and to record my thanks for and appreciation of the excellent work done by him and his subordinates, and by the Staffs—In-door and Out-door—at the various ports.

The visits of the Tariff Secretary to 27 of the ports have resulted in a general increase in the efficiency both of office procedure and examination work. With the co-operation of Commissioners, the Tariff Secretary submitted suggestions for reductions or increases of staff; gave practical instruction in the enforcement of the new Tariff rules; explained the necessity for more accurate Customs declarations; and suggested methods for ensuring closer concert between General Offices and Examination Sheds—the result being that many improvements in procedure, etc., have been introduced.

The Tariff Secretariat, moreover, has given particular attention to the training of Examiners and Appraisers. Examiners' Classes have been established at several ports, and the members thereof are encouraged to increase their technical knowledge. Qualifying examinations for Assistant Appraisers and Chief Examiners have been instituted to ensure that only men of the requisite intelligence, ability, and knowledge shall be admitted to the higher ranks. The development of the system of group ports has undoubtedly secured

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\* *Antea*, vol. iv, p. 205.

† *Vide* I.G. Cir. No. 3935, *antea*, vol. iv, p. 205 (footnote).

uniformity in the valuation and classification of cargo, while the establishment of the Central Valuation Office has unified and co-ordinated the valuations of the various group ports. And the establishment of Appraising Departments at certain ports, the constant effort to improve office routine, and the general raising of the standards of examining and appraising technique, have all contributed to raise the efficiency of Service organisation and protect revenue interests.

I desire, therefore, to express my appreciation of the spirit shown by Commissioners and those in charge of, and working in the various Appraising Departments, whose intelligent co-operation has proved of great service in the development of a new and important phase of Customs work.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

CIRCULAR No. 4420 (SECOND SERIES).

**Revenue collecting rates: inviolability of, in absence of  
I.G.'s specific authority, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 28th April 1932.

SIR,

With reference to Circular No. 2550:\*

Reviewing the principles underlying the collection and remittance of the Customs Haikwan tael revenue, emphasising that silver dollars could only be accepted for duty payment purposes as bullion to be tendered by weight, and instructing that established dollar rates of collection were not to be changed without reference to the Inspector General:

I have to append, for your information and guidance, copy of Kuan-wu Shu despatches Nos. 109 and 138, from which you will observe that, in reference to a report I had submitted relative to the loss

\* *Antea*, vol. iii, pp. 320-340.

suffered by the revenue as a result of a Commissioner acquiescing without my authority in the acceptance by the Customs banker of depreciated bank-notes at their face value in settlement of Customs duties, the Shu in the first place transmitted the decision of the Minister of Finance refusing to countenance such irregular loss of revenue moneys, but adding that His Excellency—in response to urgent representations made to him on the subject—had reconsidered his decision and authorised the settlement of the claim of the Customs banker as a special case, with the stipulation that Commissioners are to be notified that they will be held personally responsible in future for the full collection of duty as prescribed in the various tariffs.

I have accordingly to request you strictly to observe existing regulations in respect of the duty collection and to refrain from authorising bankers to depart from the explicit terms of agreements with the Customs without first having sought and obtained my permission to do so.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE.

財政部關務署指令關字第一〇九號 中華民國二十一年三月二十六日

令總稅務司梅樂和

呈一件查復牛莊中國銀行按現洋收用官邊鈔票及九子轉請補償損失辦法係由監督稅務司及該行經理公同議定各情形請核奪由

呈悉查上年十月十三日以前該行仍按現洋收用官邊鈔票先照定價匯出如有損失可請補償之辦法部署均未核准並據來呈該署亦始終未予同意該關監督及稅務司於未分別報經部署及該總稅務司核准以前遽允該行如此辦理殊屬不合所請在該關稅收項下補償該行貼現損失官邊鈔洋七萬一千三百八十元六角八分一節業經簽呈

部長奉批不准等因除已由部令知該關監督外合行指令該總稅務司知照此令

財政部關務署令關字第一三八號 中華民國二十一年四月九日

令總稅務司梅樂和

為令遵事查營口中國銀行上年九十月間因按現洋收用官邊鈔票損失官邊鈔洋七萬一千三百八十元六角八分前經該總稅務司轉請補償經部批駁茲准中國銀行總管理處函稱查前項貼水敞營口支行實係因公賠累設山海關稅款果有變化未便任其無着請念該支行維護稅收苦衷賜予維持轉飭總稅務司准予補償以免賠累等語經奉

部長核准予以補償合行令仰該總稅務司轉飭山海關稅務司遵照即在該關稅收項下撥付惟該關稅務司於未經奉准以前對於跌價紙幣按票面徵收遽予同意究屬非是應由該總稅務司予以警戒嗣後不得再有類此擅主舉動並應通令各關嗣後關於稅款事項各稅務司如未經奉准致稅收受損失者應由各該關稅務司負責仰即遵照辦理並具報此令

## CIRCULAR No. 4438 (SECOND SERIES).

Writers and Copyists: higher standard in composition of Chinese documents to be maintained; names of, to be entered on copies of Chinese correspondence sent to Inspectorate, and responsibility for Chinese documents to be fixed; records of documentary work to be kept by Chinese Secretariat; I.G.'s comments and instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,

SHANGHAI,  $\frac{16th\ June}{1st\ July}$  1932.

SIR,

With reference to Circular No. 1772:

Pointing out, *inter alia*, the importance of Chinese correspondence emanating from the Customs:

and to Circular No. 1945:

Issuing, *inter alia*, instructions to be followed by Customs Writers and Copyists in performing their duties:

I have again to request you to draw the attention of your Writers and Copyists to the fact that it is becoming more important than ever that Chinese correspondence should be written in readable and lucid Chinese and in conformity with the etiquette of writing. The port monthly Summaries of Non-urgent Chinese Correspondence, Chinese versions of port despatches, and especially the Chinese versions of port monthly trade bulletins show only too clearly the lamentable inability of many Customs Writers to produce documents in good style. Nearly all the Chinese versions of port despatches have to be revised by the Inspectorate before they can be forwarded to the Government, while the Chinese versions of port monthly trade bulletins which have so far been received have had to be entirely rewritten. An unwarranted amount of extra drafting and copying work has consequently been imposed upon the Chinese Secretariat of the Inspectorate. Warnings to the Writers concerned have been sent from time to time by the Chinese Secretary through their Commissioners, but so far it seems that they have made no serious efforts at improvement. The present staff in the Writers' Office at each port is considered sufficiently large to enable the Writers or Copyists to find time to study in order to improve their

documentary Chinese. With a view, therefore, to avoiding the duplicate work of revising and rewriting which is at present found necessary at the Inspectorate and to preventing outside criticism regarding the inferior standard of Chinese correspondence emanating from the Customs, which is a Government department, measures have now to be taken to secure a higher standard in this respect.

I have therefore instructed the Chinese Secretary to keep a record of the documentary work of all the Writers in the Service and shall, in future, withhold promotion from any Writer whose Chinese documentary work has been reported as below standard. In extreme cases, where a Writer after warning continues to show no improvement, the question of dispensing with his services will have to be considered.

In Circular No. 1945 it is laid down, *inter alia*, that, with a view to fixing responsibility and thus creating an incentive to good work, the name of the Chinese employee responsible for the composition of Chinese versions accompanying despatches to the Inspectorate, etc., is to appear near the date on the copy for the Inspectorate. I have now to request you to issue instructions that the name of the Writer or Copyist responsible for the composition of non-urgent Chinese correspondence should also appear in a similar manner on the copies of such correspondence when forwarded to the Inspectorate under cover of your monthly summary, so that the Chinese Secretary may be able to keep the required record.

A Chinese version of this Circular is appended hereto, and you are requested to see that the above instructions are carefully noted by everyone on your Writers' staff.

You are also requested to insert again in your Order Book a copy of the instructions in Chinese appended to Circular No. 1945 for the information of those Writers and Copyists on your staff who joined the Service after 1912.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

爲通令事照得文牘一端原爲宣達意旨敷陳事理之用凡百政務皆賴文牘以施行關係至爲重要而海關漢文文牘多由英文轉譯而成與普通行政機關之文牘迥不相同司其事者自應悉心研討以期精進而臻妥善前於第一千七百七十二號通令內業將此旨剴切指示嗣因各關呈報本署各項文件多欠妥協復於第一千九百四十五號通令內將各關文牘員書記等應盡職責及擬稿準繩詳細申明並規定考核辦法以資勸懲各在案查辦理文牘以明白曉暢爲主故敘事無論詳略而脈絡首貴分明措詞或有工拙而意義必求顯豁其文內體裁尤須與現行之公程式相脗合方爲得宜近來各關呈報本署漢文呈文及非關緊急之往來文函月報並每月中外貿易報告詞意多欠清晰甚至文理紕繆詞不達意其中敘事處尤多線索不清凌亂異常或情節本極簡單而刺刺不休或事理正宜推闡而格格不吐致使閱者反復尋繹不得要領雖各關文牘員中亦間有明通之才而如以上所指者實居多數以故各關所報文件應由本署核轉者必須大加改竄或至通體更易另行結撰以致本署漢文科人員多增此無謂之工作實屬不成事體且海關本係政府機關與地方商民行政官廳往往有直接關係公函布告在所必需倘辦理稍有未當必致貽人譏笑甚至發生誤會重滋糾紛似此情形若不嚴加整頓將何以裨公務而防物議本總



稅務司前經飭令漢文科稅務司查核各關呈報本署文件凡辦理未能合格者隨時函致該關稅務司轉飭所屬文牘員對於各項文件加意講求乃迄今並無進益此由於各文牘員罔知振作之所致也現各關文牘員書記等人數並不爲少其人數較少者其公務亦屬輕簡自可於公餘之暇研究文牘且爲增進能力注重職責起見尤應隨時隨地留心補習自此次通令之後各關文牘員書記等務將公程式詳加玩索並採取可爲法式之各種文牘置之座右觀其如何布局如何叙事以及句法字法均須一一領會期有心得至對於英文譯稿但求無違其意旨不必墨守其規模要言之卽以漢文之體裁敘述英文之事理如是而已此項辦法前已於一千九百四十五號通令內縷晰言之並經規定各關呈報本署漢文呈文等件在副本內年月日旁註明主稿人姓名以明責任茲再規定嗣後每月杪呈送本署之非關緊急往來文函無論係文牘員或書記主稿均須按照前定格式註明姓名籍資考核一面飭令漢文科稅務司將各關文牘員成績分別記錄並將成績不良之文牘員延緩進級年限其實係不堪造就者卽令退職以免濫竽而昭炯戒本總稅務司令出惟行勿謂言之不預也除分行外合行令仰該關稅務司轉飭所屬文牘員書記等一體懷遵仍將一千九百四十五號通令載入該關令簿俾各深切注意是爲至要此令

## CIRCULAR No. 4445 (SECOND SERIES).

**Revenue collection: in gold units: introduction of tentative procedure, whereby merchants at some outports may, under certain conditions, pay C.G.U. duty at Shanghai, notified; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 6th July 1932.

SIR,

1.—With reference to Circular No. 3951:\*

Notifying that the three oil companies (Asiatic Petroleum Company, Standard Oil Company of New York, and Texas Oil Company) were to be accorded the privilege of paying all or part of the additional duty at Shanghai:

I have now to append, for your information and guidance, copy of Chinese correspondence exchanged with the Kuan-wu Shu, from which you will see that the tentative introduction has been authorised of a proposal which I recently submitted providing, with certain necessary reservations, for the payment by merchants in general, at their option, of C.G.U. import duties at Shanghai on cargo imported at outports.

2.—An English translation of my recommendations on this subject forms Enclosure No. 2 to this Circular, and I have to request you, when dealing with applications to pay C.G.U. duties at Shanghai, to adhere closely to the terms of the regulations as therein laid down.

3.—From a perusal of these regulations, you will perceive that the local Customs collecting bank is to be held responsible to the Commissioner for the proper fulfilment of the duty requirements in gold units at Shanghai; that payment of such duty at Shanghai is restricted to a minimum sum of *G.U.* 10,000 on each occasion; that, while provision is made for its extension to other ports, the experiment is limited for the present to those ports where the Customs collecting bank is a branch of the Central Bank of China or of the Bank of China; also that Commissioners are empowered either to curtail or to suspend entirely the procedure now notified if they consider such a course desirable in revenue interests.

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\* *Antea*, vol. iv, p. 220.

4.—Commissioners at those ports where branches of the Central Bank of China or of the Bank of China act as Customs bankers are accordingly to explain the new procedure to their bankers and to announce to the public its tentative introduction by means of a short notification. Furthermore, at ports where the Customs bankers receive a percentage of the collection as remuneration for their services, no deduction is to be made in the amount payable on account of C.G.U. duties paid at Shanghai.

5.—In this connexion it should be noted that the oil companies at ports where the procedure now authorised is introduced will be at liberty to pay full import duty in gold units at Shanghai. In other words, the restrictions hitherto applying to the privilege in the case of the three oil companies (Circulars Nos. 3951 \* and 4399 †) have been removed.

6.—Finally, having regard to the actual collection at outports of C.G.U. duties in C.G.U. notes and cheques, etc. (Circulars Nos. 4239 ‡ and 4242), while authority was conveyed in Financial Secretary's Printed Note No. 10 for the exchange locally of gold units against Haikwan taels at the bank's rate of the day, I find nevertheless that, with one or two exceptions, advantage has not been availed of this authority. Moreover, experience having now demonstrated clearly that more favourable exchange rates for gold units in terms of silver can usually be obtained at Shanghai than at outports, the authority in question is accordingly withdrawn as from this date. Commissioners who may find in future that their collection made in silver is insufficient to meet the requirements of their office allowance should consequently submit early application—by telegram, if necessary—for the issue by the Inspectorate of a sufficient sum (in Shanghai taels) to cover the whole or part of this allowance.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Antea*, vol. iv, p. 220. † *Antea*, vol. v, p. 15. ‡ *Antea*, vol. iv, p. 474.

## ENCLOSURE No. 1.

總稅務司呈 關務署文第三一六五號 中華民國二十一年六月十六日

呈爲呈復事案查關於英美菸公司請對於該公司紙菸菸葉進口稅准予援例在滬繳納一案呈奉

鈞署關字第二四三號指令內開查美孚等煤油公司應完之煤汽油進口稅由各該總公司在滬代爲繳付係因合約關係由

部長特准他商不能援以爲例該英美菸公司應完之紙菸菸葉進口稅如亦准由總公司在滬代繳則將來對於其他公司要求同樣辦理時勢難不予照准致滋藉口惟此項在滬繳付稅款辦法既據稱於稅收不無裨益應由該總稅務司詳悉統籌擬具通行辦法再行核定仰卽遵照等因奉此查關於規定在滬繳付稅款之通行辦法有應行注意者兩點(一)各口海關稅務司對於在滬繳付稅款貨物須於放行以前確知該貨應完稅款已在上海交付(二)此項辦法手續須力求簡便俾進口商人樂於利用茲經根據以上兩點擬具通行辦法如次

(一)凡商人在各埠運進洋貨願在上海繳納稅款者應預將該貨應完之金單位稅款如數撥存上海中央銀行總稅務司金單位稅款帳內並請該行將收到該款數目電由該埠海關收稅銀行連同該項貨物詳情通知該關稅務司經該關稅務司將在滬撥存款項與該貨應完之稅核明相符卽憑此項通知將貨放行再將該項稅款填具正副匯款單交由該埠收稅銀行轉寄上海中央銀行簽字作爲該關匯滬之稅款

(二)凡商人在各埠運進洋貨每次應完稅款須在金單位一萬元以上者始准享受在滬繳納稅款之利益

(三)凡享受前項利益者應在進口報單上註明「應納稅款已設法在上海繳付應請海關於接到本口收稅銀行通知證明稅款已撥存上海中央銀行總稅務司帳內後卽予放行」等字樣以憑核辦

(四)前項辦法暫以由中央銀行及中國銀行代收關稅之日岸爲限其餘各口須俟收稅銀行與上海中央銀行商定辦法再由該口稅務司呈請總稅務司核准援例辦理

(五)前項辦法施行後各關稅務司得因稅收利益關係隨時加以限制或停止之但應於事先通知商人以免臨時發生窒碍

(六)前項辦法政府得隨時取銷之

照下列辦法辦理似於稅收有益無損惟在美孚等三煤油公司所屬各地分公司現行納稅辦法祇准將關稅新增部分在滬繳納現在所擬通行辦法如蒙

核准則各貨一切應完稅款均得在滬繳納所有各該公司祇准將關稅新增部分在滬繳納辦法似應卽予取銷俾將全部稅款一律按照通行辦法辦理以免歧異所有遵擬各口運進貨物在滬繳付稅款通行辦法緣由是否

有當理合備文呈復

鑒核伏乞

指令遵行謹呈

財政部關務署署長張

財政部關務署指令則字第七五一號中華民國二十一年六月二十四日

令總稅務司梅樂和

呈一件擬具各口運進貨物在滬繳付稅款通行辦法請鑒核令遵由  
呈悉據擬各口運進洋貨在滬繳付稅款通行辦法准予試辦所有美孚等三煤油公司原訂在滬繳付關稅新增部份之限制應卽取銷以歸一律仰卽遵照此令

## ENCLOSURE No. 2.

REGULATIONS GOVERNING THE TENTATIVE  
GRANTING TO MERCHANTS AT OUTPORTS OF  
THE PRIVILEGE OF PAYING IMPORT (C.G.U.)  
DUTIES AT SHANGHAI.

1.—A merchant at an outport who desires to be allowed to pay import duty at Shanghai for his cargo to be imported locally must arrange for a credit to be placed to the account of the I.G. of Customs Revenue Gold Unit Account with the Central Bank of China, Shanghai, sufficient to cover the amount of import duty payable in gold units. The arrangement made must include provision for the Central Bank of China to telegraph the fact of the establishment of this C.G.U. credit to the local Customs collecting bank, which will in turn notify the Commissioner of Customs and also supply particulars of the cargo concerned. If the reported particulars of the C.G.U. credit and the duty leviable on the cargo specified agree, the Commissioner will authorise the release of the cargo on the strength of the local Customs collecting bank's document and hand to his local collecting bank a Remittance Note (in duplicate) covering the amount of duty reported as credited to I.G. of Customs Revenue Gold Unit Account, to be forwarded to Shanghai for signature by the Central Bank of China.

2.—The minimum amount of duty payable on each occasion according to the procedure described above shall not be less than *G.U.* 10,000.

3.—Upon a merchant desiring to avail himself of the facilities described above he must add a note on his Import Application informing the Commissioner that he is arranging for payment of duty to be effected at Shanghai and requesting that the cargo in question be released as soon as the Commissioner has been informed by the local collecting bank that cover for the duty involved is held by the Shanghai office of the Central Bank of China.

4.—The procedure now introduced is to be operative for the time being only in connexion with those ports where the Customs collecting bank is a branch of the Central Bank of China or of the Bank of China (*vide* Circular No. 4242). Its extension to other ports will be authorised, however, once the appropriate arrangements have been made between the Central Bank of China, Shanghai, and the local Customs collecting bank, upon special application by the port Commissioner concerned.

5.—Any Commissioner is at liberty to limit or suspend at any time the operation of this special privilege if he considers it is in revenue interests to do so. In exercising this right, however, he will endeavour to give adequate notice of his intention in order not to inconvenience merchants unduly.

6.—The Government reserve the right to abolish the concession thus granted to merchants at any time, without giving any reason therefor.

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CIRCULAR NO. 4452 (SECOND SERIES).

Appraising work: duties of Assistants and Appraisers *in re*,  
defining; instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 21st July 1932.

SIR,

With reference to previous instructions:

Concerning the work of examination, valuation, and  
classification of cargo:

I have to inform you that since the exigencies of the new Tariffs have demanded closer cohesion between the General Offices and Examination Sheds than has existed in the past, at the major ports all over China Appraisers and Examiners are now working in the offices in direct contact with Assistants. The question of apportioning the work where it rightly belongs has therefore become the concern of the Service as a whole, and an effort must be made to clarify the situation in order that all may know what, precisely, are the immediate duties of both Assistants and Appraisers or Examiners.

For this reason a procedure—copy of which is appended—has been drawn up, based on the principle that Appraisers are primarily concerned with the technical part of the work—more especially with valuation,—while Assistants exercise general supervision over all transactions in connexion with Applications and the reasoned interpretation of the Tariff.

You will observe that the procedure has been evolved with the Shanghai Appraising Department in view. As, however, those ports, and particularly the major ports, whose General Offices are directly connected with appraising work are modelled on similar lines, the instructions contained therein are to be applied to the extent compatible with existing office organisation.

You are requested to act accordingly.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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### ENCLOSURE.

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### PROCEDURE IN THE APPRAISING DEPARTMENT.

1.—Import Applications with Particular Papers are handed by applicants to the Assistant at the Application Desk, who ascertains that all necessary covering documents, such as bills of lading, invoices, specifications, etc., are attached. After being numbered, they are sent to the Assistant in charge of the section concerned, who distributes them to his Assistants and Appraisers—those concerning classification to the former, those concerning valuation to the latter,—reserving those of a more intricate nature to himself to be settled in consultation with his ablest collaborators, with the Supervising Chief Appraiser, and with his immediate superior, the Deputy Commissioner.

2.—If the Assistant in charge requires the goods to be examined, he marks the Particular Paper “Examine” and returns all documents to the Application Desk, whence the Particular Paper is sent to the wharf, the other documents being retained. If at a later stage an Assistant or an Appraiser requires the goods to be examined, he returns the Application with his suggestion to the Assistant in charge to be similarly dealt with.

3.—On return of the Particular Paper from the wharf it is attached to the Application and covering documents and sent to the Assistant in charge of the section for redistribution.



4.—(a) In the case of specific duty paying goods the Assistant to whom the Application has been allotted verifies

- (1) Whether the Application is made out complete in every detail, according to Customs regulations and General Office and statistical requirements, and certified correct by the applicant;
- (2) Whether the covering documents, such as invoices, contracts, etc., are genuine;
- (3) Whether the marks and numbers, quantities and or weights, number of packages, etc., declared agree with those given on the bill of lading, invoices, and specifications.

After verification of Tariff number and assessment of duty he returns the Application to the Assistant in charge, who verifies and counter-initials the classification and duty assessment.

(b) In the case of *ad valorem* duty paying goods the Appraiser to whom an Application has been allotted verifies—

- (1) Whether the Application is made out complete in every detail, according to Customs regulations and General Office and statistical requirements, and certified correct by the applicant;
- (2) Whether the covering documents, such as invoices, contracts, etc., are genuine;
- (3) Whether the marks and numbers, quantities and or weights, number of packages, etc., declared agree with those given on the bill of lading, invoices, and specifications.

He thereupon verifies or corrects the declared value and returns the Application to the Assistant in charge, who, if satisfied with the Appraiser's findings, allots it to one of his Assistants for verification of Tariff number and assessment of duty. This latter, in turn, returns it to the Assistant in charge for verification and counter-initialling of his classification and duty assessment.

5.—Should the Assistants, Appraisers, or Examiners have made any alterations or additions to the declaration on the Particular Paper, these, the Application, and other documents are sent to the Wrong File Desk, where the applicant makes the necessary changes on the original as well as on the duplicate copy of the Application, which are then returned to the Assistant in charge with all covering documents for counter-checking, allotment, classification, and assessment of duty, etc., as above.

6.—If the Assistant in charge decides to pass the cargo without examination, he—or his Assistants or Appraisers—makes any necessary alterations on the Application, which the applicant initials if he agrees to them. If the cargo is marked for examination and when the Particular Paper is returned from the wharf, it becomes the duty of the Assistant or Appraiser, to whom the Application has been allotted, to observe the following points:—

- (a) Whether a sufficient number of packages has been examined, weighed, and/or opened at the Shed, or whether re-examination is necessary;
- (b) Whether the values and Tariff classifications are correct;
- (c) Whether any contraband or prohibited goods are included among the goods.

7.—Any disputes with the applicant *re* classification, valuation, etc., which cannot be settled by the Assistant or Appraiser directly concerned, or by the Assistant in charge of the section, should be referred to the Deputy Commissioner or Supervising Chief Appraiser—depending on whether the question is one of classification or valuation,—who, after having given a decision, will return the documents to the section for the particulars to be recorded and for classification and assessment of duty in the above-described manner.

8.—If no decision can be arrived at between the above officers and the applicant, the case is referred to the Appraising Commissioner.

9.—Should there be any question of a penalty for false declaration of values, qualities, or quantities, etc., the Assistant in charge of the section will complete the documents and pass them to the Deputy Commissioner, who will pursue the matter, if necessary, in consultation with the Commissioner.

10.—All actual recording work is to be done by a junior officer, except in the case of important goods which require the special attention of the Assistant in charge.

11.—While the above procedure aims at a clear definition of Assistants' and Appraisers' respective duties, it should at the same time be as clearly understood that collaboration and co-operation, in which lies the essence of efficiency, point to the ultimate goal.

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## CIRCULAR No. 4456 (SECOND SERIES).

Seizure rewards and informants' fees: method of calculating and order of priority of payment of charges from proceeds of sale by auction of goods confiscated; amplification of existing rulings and I.G.'s instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 25th July 1932.

SIR,

1.—When the early instructions relating to the issue of seizure rewards and informants' fees were drawn up and circulated, the low tariff rates then prevailing rendered it extremely improbable that the proceeds of sale by auction of goods confiscated would be insufficient to meet both payment of the duty on the goods and also the seizure rewards, informants' fees, and incidental expenses in connexion with the seizure; the order of priority of payment of the various charges from the proceeds was therefore immaterial, and any decision regarding proportions to be issued to Customs officers and informants as rewards and fees, and the basis on which those proportions were to be calculated, had only to be governed by a consideration of the scale most likely to promote efficiency and produce results without any reference whatsoever to the question of the funds which would be available for the purpose. With the introduction of the 1929 Import Tariff with its concomitant high duty rates, however, the whole position changed, and not only did the encouragement of Customs officers and the inducement to be offered to informants become matters of greater importance, but also the vast increase in smuggling led to the appearance of considerable quantities of non-duty-paid goods on the market, with the result that in disposing of seizures it was found impossible in many instances to procure such prices as would provide for the payment of both the duties on the goods—amounting in some cases to 50 per cent. *ad valorem* and over—and all other charges. The necessity for the issue of seizure rewards and informants' fees on a more generous basis was speedily recognised, and, on my representations, the Government sanctioned the increased scale notified in Circular No. 4019, but this increase only served to enhance the difficulties in connexion with the distribution of the proceeds of sale of the goods confiscated, since more funds were now required for seizing officers and informants, and the position was further

aggravated by the still higher duty rates of the National Tariff enforced in January 1931. Existing instructions specified the percentages of the proceeds of sale which were to be issued as rewards and fees, but the use of the qualifying adjectives "net" and "gross" in relation to those proceeds had confused the issue, and the order of priority of payment to be followed when funds were insufficient to meet all charges had been nowhere clearly defined. As a consequence of these circumstances divergent practices sprang up in various ports, and not infrequently the rules were interpreted in such a way as would best meet the requirements of individual cases; a line on the general principles which should govern the priority of payment of charges from proceeds was given in connexion with the question of informants' fees in Circulars Nos. 4285 (No. 630) and 4436, the instructions of which specified that these fees should have definite precedence over duty payment, but from certain inquiries which have reached the Inspectorate lately it is evident that the position is still obscure and that a clear amplification of the rules is required.

2.—In order that a uniform procedure may be adopted at all ports in connexion with the issue of seizure rewards and informants' fees, therefore, the following rules are now issued, and where changes in the present practice in force at ports are necessary they are to be given effect to on receipt of this Circular:—

- (1) When fine or confiscation follows as the result of seizures made on information, the informant is to receive four-tenths and the seizing officer two-tenths of the amount realised either by fine or by sale of the goods confiscated.
- (2) When fine or confiscation follows as the result of seizures made without information, the seizing officer is to receive three-tenths of the amount realised either by fine or by the sale of the goods confiscated.
- (3) In cases in which confiscated goods are sold by auction or tender and duty is payable by the Customs, seizure rewards and informants' fees are to be based on the actual proceeds of sale without any deductions whatsoever.
- (4) When the proceeds of sale by auction or tender are insufficient to meet full charges thereon, the priority of payment is to be (i) incidental expenses, (ii) seizure rewards, (iii) informants' fees, (iv) duty, and in cases in which the amount remaining after

deduction of (i), (ii), and (iii) comes to less than the full duty leviable, the balance is to be brought to the Revenue Account as representing the duty.

This method of distribution of the proceeds of sale by auction or tender of goods confiscated provides in all cases for the payment of incidental expenses and the full amounts due for seizure rewards and informants' fees, and while in many instances the Revenue Account will not receive the amount to which it should be entitled, this state of affairs will be remedied gradually as our preventive measures become more effective and the prices realised for confiscated goods approximate more closely to proper market values including duty. Meanwhile Commissioners should assure themselves that the highest possible prices are being obtained for all confiscated goods sold.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## CIRCULAR No. 4460 (SECOND SERIES).

Central Scrutiny Office: establishment of, attached to the Tariff Secretariat; additional clause to Rule I, § 2, of the Import Tariff Provisional Rules regarding the duplicate copy of every invoice to be presented for retention by the Customs; joint notification *in re*, to be issued with the Superintendent; instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 4th August 1932.

SIR,

With reference to I.G. Circular No. 3935:\*

Notifying you of the establishment of the Tariff Secretariat as an integral part of the Inspectorate, but situated for convenience' sake in the Custom House, Shanghai:

to I.G. Circular No. 4244:†

Introducing the Statistical Copy of Applications for the purpose of effecting the compilation of Returns of Trade at the Statistical Department:

and to Statistical Secretary's Printed Note No. 550:

Instructing that, in accordance with the newly arranged system of returns, such Statistical Copies of all Applications were to be prepared and forwarded by ports to the Statistical Secretary according to the mailing schedule enclosed in his Printed Note No. 547:

I now append, for your information and guidance, copy of Kuan-wu Shu despatch No. 7613, from which you will see that the Shu have approved my proposal for the establishment of a Central Scrutiny Office working in conjunction with the Central Valuation Office of the Tariff Secretariat.

The Central Valuation Office has already achieved no small measure of success in the strides made towards complete uniformity of tariff classification, in the accumulation of records of values for goods passed by ports, and in the assistance rendered to ports in this respect through the medium of the quarterly and semi-annual lists of values and classifications exchanged between ports—through their group centres—and the Inspectorate.

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\* *Antea*, vol. iv, p. 205.

† *Antea*, vol. iv, p. 494.

With the introduction of the Statistical Copies of Applications, which will now also supply the Central Scrutiny Office with all necessary particulars of cargo passed, these lists promise to become superfluous as far as imports are concerned. Further instructions regarding their discontinuance, when and if deemed advisable, will be issued in due course by the Tariff Secretary. Although undeniably cumbersome and unwieldy, these lists have amply repaid the time and labour involved in their preparation by the ports, both from the point of view of instruction given to Appraisers and Examiners in the matter of classifying, describing, and tabulating goods and of the Service generally in the increased efficiency attained in the application of the Tariffs.

The functions of the Central Scrutiny Office, as its name implies, are to scrutinise the work of the Appraising Offices and Examination Sheds and generally to institute a final check on the administration of the Tariffs at the ports by means of the Statistical Copies of the Import and Export Applications which are forwarded periodically to the Statistical Department. In addition, the office has been charged with the duties of amplifying the records already accumulated from the lists alluded to above and of carrying out investigations of the values appraised by the ports from covering documents.

To this end it is necessary for the Customs to be furnished with duplicate copies of all invoices covering foreign goods imported into China. When, therefore, I informed the Kuan-wu Shu of my intention to form a Central Scrutiny Office, I requested and, as you will observe from the appended despatch, obtained the Shu's authority to the addition of the following clause to Rule I, § 2, of the Import Tariff Provisional Rules after the sentence " Freight . . . must be shown " :—

" A certified copy of every invoice must be supplied for retention by the Customs."

On receipt of this Circular you are requested to notify the public accordingly by the issue of a joint notification with the Superintendent, stating also that this ruling is to come into force on the 1st December 1932. This will ensure that at the most distant ports the minimum requirement of three months' notice will be given to importers to arrange with manufacturers abroad for the provision of the extra copy.

Such Customs copies of invoices, irrespective of whether or not they have been accepted by ports as a basis for the duty-paying value, are to be despatched, at the same time as Statistical Copies

of Applications are sent to the Statistical Department, direct to the Tariff Secretariat, properly marked with the vessel and Application numbers, so that they can be easily identified with the corresponding Applications. Should there be any doubt about the genuineness of an invoice or should you experience difficulty in appraising the value of an article or commodity, a sample, if available, or a catalogue illustration or similar evidence of value should accompany the invoice. The following letters—

Mar. Val.; Inv. Val.; or Cont. Val.:

are also to be stamped in a conspicuous position on the invoice to indicate whether the duty-paying value was based on the market value, invoice value plus 5 per cent., or contract value.

In this connexion, however, it is to be noted that, as regards the invoices for medicines which are already presented in duplicate, no further copy is required. The duplicate invoice is to be forwarded together with the others direct to the Tariff Secretariat for eventual transmission to the Board of Health, instead of, as at present, through the Superintendents.

In conclusion, it is to be noted that the foregoing procedure for the scrutiny of the Statistical Copies of the Applications by the Central Scrutiny Office entails no alteration in your present procedure for transmitting such Applications to the Statistical Department. They will be received and coded as usual by the latter, whence they will be forwarded to the Central Scrutiny Office. In cases where classifications require correction or particulars regarding values, etc., call for adjustment or further details, you will be notified immediately by Tariff Secretary's memorandum.

I am, etc.,

F. W. MAZE,  
*Inspector General.*



ENCLOSURE.  

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財政部關務署指令則字第七六一三號 中華民國二十一年七月十五日

令總稅務司梅樂和

呈一件擬籌設審查股審查各關貨物分類估價並由進口商另具發票副本呈關轉送該股以憑審

查關於藥品一項擬將貨單副本由關送交該股審查後彙寄衛生署毋庸由監督轉寄並請

將進口呈遞發票辦法於稅則章程內註明請鑒核示遵由

呈悉應准如擬辦理除函知國定稅則委員會並由部令行各關監督知照外仰即遵照此令

## CIRCULAR No. 4461 (SECOND SERIES).

5 per cent revenue surtax: collection of, on import and export duty from 1st August 1932 to 31st July 1933 notified; instructions *re* collection and accounts treatment.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 5th August 1932.

SIR,

1.—With reference to my circular telegram of 28th July 1932:

“Government instructs Customs collect revenue surtax of 5 per cent of import and export duties only for one year commencing 1st August 1932. Articles exempted from flood relief surtax (Circular No. 4360,\* paragraph 2) are to be exempted from revenue surtax. Revenue surtax collectable on goods applied for on and after 1st August. No extension allowed for bonded goods: goods for which applications to withdraw from bond for import are made on and after 1st August will be liable to surtax. Drawbacks for revenue surtax issuable in accordance with practice governing issue of drawbacks for duty. Issue joint notification with Superintendent. Open separate bank accounts, submit separate monthly reports on [B.—6] and [B.—8] forms, and remit to I.G. Revenue Surtax (Customs Gold Units, Shanghai Taels, or Dollars) Accounts which are being opened with Central Bank of China, Shanghai. *N.B.*—Revenue surtax entirely distinct from flood relief surtax (Circular No. 4360)”:

I now append, for your information and guidance and for purposes of record, copy of Kuan-wu Shu telegram of 27th July, from which you will see that the Government have authorised the collection of a 5 per cent surtax on import and export duty from 1st August 1932 to 31st July 1933.

2.—The following items in the Import Tariff are to be exempt from the payment of revenue surtax: Tariff Nos. 1 to 9, 11, 12, 14 to 16, 21 to 23, 25 to 31, 36, 37, 39, 41, 43, 44, 46, 51, 59 to 61, 64, 249 (a) and (b), 250, 252, 255, 256, 262, 265 to 267, and 305 (a).†

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\* *Antea*, vol. iv, p. 647.

† From the 16th May 1933 Famine (or Flood) Relief and Revenue Surtaxes became leviable on all import articles up till then exempted (*vide* I.G. Cir. No. 4638, *postea*, vol. v, p. 267).

3.—The 5 per cent revenue surtax is to be collected on goods applied for between (and including) the dates 1st August 1932 and 31st July 1933.

4.—No extension of time is to be allowed for goods bonded prior to the imposition of the surtax: goods for which applications to withdraw from bond for import are made between (and including) 1st August 1932 and 31st July 1933 will be liable to surtax.

5.—Drawbacks for revenue surtax will be issuable in accordance with existing practice governing the issue of drawbacks for duty.

6.—The collection of this revenue surtax is to be considered as forming a part of the Customs collection and accordingly is to be shown in the Revenue Returns under the separate heading of "Revenue Surtax." The monthly collection is to be reported on a separate [B.—8] return, on which the heading "Monthly Revenue Return" is to be changed to read "Monthly Revenue Surtax Return," and the figures representing the revenue surtax collected on import duty and export duty entered separately, with the gold unit figures and their Haikwan tael equivalents shown in the case of the import duty surtax. The report of collection and disposal of this revenue surtax is also to be submitted monthly on a separate [B.—6] form, prepared in exactly the same manner as now applies in the case of the flood relief surtax.

7.—Three new accounts—

- (1) I.G. of Customs Revenue Surtax (Gold Unit) Account;
- (2) I.G. of Customs Revenue Surtax (Shanghai Tael) Account; and
- (3) I.G. of Customs Revenue Surtax (Dollar) Account:

have been opened with the Central Bank of China, Shanghai, for the receipt of remittances.

8.—Seeing that this revenue surtax—unlike the flood relief surtax—is not in the nature of a levy for charitable purposes, Commissioners are authorised to issue to collecting banks commission on the surtax collection at the same rate as is authorised in the case of the revenue proper. At those ports, however, where the monthly banker's commission is met by the payment of a fixed sum, Commissioners may arrange to pay a proportionate additional amount as banker's commission on account of this revenue surtax collection, which additional payment is of course to be a direct charge on the Revenue Surtax Account.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

ENCLOSURE.

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關務署電第一一四五號 中華民國二十一年七月二十七日

梅總稅務司覽現奉政府決定凡按海關進出口稅則征收之進出口稅自本年八月一日起概按關稅稅

率征收百分之五之附加稅以一年爲期其在前頒救災附加稅條例第三條所列各款之貨物應予免征

上項附加稅除由部電令各關監督遵照外合行電仰遵照轉飭各關辦理署長張感印

## CIRCULAR No. 4470 (SECOND SERIES).

**Consular invoices covering foreign goods shipped to China:  
to be issued by Chinese Consuls from 1st September  
1932; regulations and instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 17th August 1932.

SIR,

1.—I append copy of Ts'ai-chêng Pu despatch No. 2447, from which you will see that the Wai-chiao Pu have notified the Ts'ai-chêng Pu that regulations for the issue by Chinese Consuls abroad of certified invoices to cover goods shipped to China were promulgated by the Government on the 11th June 1932 and will come into force in respect of goods shipped from abroad to China on and after 1st September 1932. A copy of the Regulations governing the Issuance of Consular Invoices has been forwarded for your information and guidance.\*

2.—I also append copy of Ts'ai-chêng Pu despatch No. 2581, conveying the Wai-chiao Pu's instructions that Article IX of the regulations, which provides for the levy of a fine of three times the Consular certification fee on merchandise not covered by a Consular invoice, is to be modified as follows:—

- (a) Consignees of cargo not covered by Consular invoice shipped from abroad on or after 1st September 1932 and applied for during September and October 1932 must pay to the Customs the certification fee of *G.U.* 5 for the issue of a Consular invoice by the Customs.
- (b) Consignees of cargo not covered by Consular invoice shipped from abroad on or after 1st September 1932 and applied for during November and December 1932 must pay to the Customs a sum equal to twice the certification fee, *i.e.*, *G.U.* 10, for the issue of a Consular invoice by the Customs.
- (c) Consignees of cargo not covered by Consular invoice shipped from abroad on or after 1st September 1932 and applied for on and after 1st January 1933 must

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\* For regulations regarding Consular Invoices now in force, *vide* "Code of Customs Regulations and Procedure" (3rd Edition), 1937, pp. 51-54; *vide* also I.G. Cirs. Nos. 4474, 4486 (*postea*, vol. v, p. 63), 4495, 4512, 4518, 4540, 4554, 4561, 4563, 4567, 4892, 5022, 5221, 5404.

pay to the Customs the fine of *G.U.* 15 as provided for in Article IX of the regulations for the issue of a Consular invoice by the Customs.

*N.B.*—The term “applied for” as used in rules (a), (b), and (c) above is to be read to mean “for importation” and “for entry into bond,” but not “for transshipment,” *i.e.*, the date of transshipment at a Chinese port is immaterial in so far as these regulations are concerned.

3.—The date of shipment of cargo from abroad to China is to be determined by the date of issue of the relative ocean bill of lading.

4.—Article IX of the regulations provides for the issue by the Customs of Consular invoices for merchandise not covered by a Consular invoice issued by a Chinese Consul, and a supply of Consular invoices is being forwarded to you under separate cover for this purpose. These invoices are to be filled in and signed (in triplicate) by the consignee, and signed and sealed by the Commissioner or his representative.

5.—Article X provides that “the Customs shall at the end of each month submit to the Ministry of Foreign Affairs a list of the Consular invoices received and issued, together with a statement of the fines collected, and forward to the Customs Administration (Kuan-wu Shu) all the original copies of the invoices received and issued, together with the fines collected.” Separate instructions will be issued in due course concerning the procedure to be followed in forwarding the documents and fines to the Wai-chiao Pu and the Kuan-wu Shu; in the meantime you should make sure that the particulars required are carefully recorded, that Consular invoices are filed, and that any fees or fines collected are temporarily credited to your Suspense Account.

6.—It is to be especially noted that Consular invoices are required in addition to, and not in lieu of, the customary commercial invoices; and that the Customs are not bound to accept the particulars of value, etc., shown in Consular invoices for purposes of duty assessment.

7.—The introduction of the Consular invoice procedure is to be notified to the public by means of a joint notification, which should contain the regulations *in extenso*, the modification of Article IX (§ 2 *ante*), and the explanations contained in §§ 3 and 6 of this Circular.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

財政部令關字第二四四七號 中華民國二十一年八月五日

令總稅務司梅樂和

爲令行事案准外交部咨開查領事簽證貨單章程業經

國府於六月十一日明令公布並規定自九月一日起實行其施行細則亦經本部於六月二十五日以部令公布各在案所有章程細則業已分別印就華洋文章程係備貨商向海關索閱之用章程暨細則合本則備各海關存閱又此項簽證貨單自九月一日起實行應以貨物在外洋起運出口日起計算並非指貨物運抵中國港口之日期而言相應檢同領事簽證貨單章程五百本章程暨細則合本一百五十冊貨單全套自第二九五三〇一號至第三一〇三〇〇號共三百本海關報解表乙丙兩種各三百份咨請發交各海關遵照辦理先期布告以便週知並將分發各關之貨單冊數及號數開單見復等因准此除檢同所送章程暨細則令行各關監督遵照外合將貨單報解表章程等件發交該總稅務司仰卽轉令各海關遵

照辦理並將分發各關之貨單冊數及號數列單具復以便轉咨至前據該總稅務司來呈陳明施行領事貨單制度應行注意之兩點已據情咨行外交部查核俟復到另令飭遵並仰知照此令

附貨單全套共三百本報解表乙丙兩種各三百份章程五百本章程暨細則合本一百冊

財政部令關字第二五八一號 中華民國二十一年八月十三日

令總稅務司梅樂和

爲令行事案准外交部咨開關於領事簽證貨單章程第九條規定貨商在海關補領簽證貨單應照簽證費數目補繳三倍辦法茲擬酌爲變通凡在九十兩月內貨商未領有領事簽證貨單而在海關補領者准其照納簽證費海關金單位五個在十一十二兩月內在海關補領者按照規定簽證費數目兩倍補繳迨明年一月起前項補領辦法即應完全按照章程第九條規定辦理除另具會呈請行政院轉陳備案外應請通令各海關遵照等因准此除已由部令行各關監督外合行令仰該總稅務司迅飭各關稅務司遵照此令



## CIRCULAR No. 4477 (SECOND SERIES).

**Training of Examiners: classes for, instituted at certain ports:  
alteration in yearly commencement of, notified.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 24th August 1932.

SIR,

With reference to my Circular No. 4151:\*

Notifying, *inter alia*, in connexion with the training of Examiners, that classes were to be instituted at certain ports to commence on the 1st October of each year and that their working was to be recorded in quarterly Reports on Examination, Valuation and Classification of Cargo, etc.:

I have to inform you that, as Service movements of Staff in autumn have been found to interfere with the organisation of the classes for training of Examiners due to the opening date being the 1st October, the school year is hereafter to begin from the date when the last new appointee to take part in the classes has arrived at the port concerned, but not later than the 1st November.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Antea*, vol. iv, p. 331.

## CIRCULAR No. 4486 (SECOND SERIES).

**Consular invoices covering foreign goods shipped to China: further modification of Article IX of regulations; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 13th September 1932.

SIR,

With reference to Circular No. 4470:\*

Forwarding regulations governing the issue of Consular invoices which are to come into force on the 1st September 1932:

and especially to Article IX, which provides that—

Merchandise not covered by a Consular invoice shall be liable to a fine, to be paid by the consignee, which shall be equal to three times the fee charged for the Consular invoice. Upon payment of such a fine the Customs shall issue a Consular invoice instead and let pass the merchandise:

and to Circular No. 4474:

Informing you that this article had been modified:

I now append copy of Ts'ai-chêng Pu despatch No. 2884, my telegram No. 31 to the Kuan-wu Shu, and Kuan-wu Shu Tai-tien No. 1385, from which you will see that the Wai-chiao Pu have further modified Article IX as follows:—

If the consignee can give the number of the Consular invoice which has actually been issued by a Chinese Consul abroad to cover cargo shipped to China, but is unable to produce the invoice to the Customs when applying for importation, either because it is in the hands of a bank or has been lost in transit, he shall be required to pay on deposit a sum of *G.U.* 5 in the case of goods shipped from abroad during September and October, *G.U.* 10 in the case of goods shipped from abroad during November and December, and *G.U.* 15 in the case of goods shipped from abroad on and after 1st January 1933. This deposit will be refunded by the Customs if the consignee produces the

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\* *Antea*, vol. v, p. 58.

original Consular invoice bearing the number previously declared to the Customs within three months from date of payment of the deposit, failing which a Consular invoice will be issued by the Customs and the deposit will be forfeited and treated in accordance with the regulations.

The above modification of Article IX is to be notified to the public by means of a joint notification.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE.

財政部令關字第二八八四號 中華民國二十一年八月三十日

令總稅務司梅樂和

爲令行事案准外交部咨開領事簽證貨單章程第九條規定進口貨物無領事簽證貨單者應由提貨人向海關補領並照繳原定之簽證費三倍罰款現外商因貨物向銀行押款所需簽證貨單每因手續上關係貨單未能隨貨物提單同時寄到或因領事簽證貨單中途遺失提取貨物時不能向海關呈驗凡此情形如能予以猶豫期間俾得補呈貨單自較便利茲特酌量變通如外貨運華確已領過某號出口地領事簽證貨單因辦理押款手續或中途遺失致提貨時無單呈驗者由海關先令照繳三倍罰款在三個月內該貨商能將原領貨單補呈查驗准由海關發還所繳罰款倘逾期不能呈驗即應照章再在海關補領貨單等因准此合行令仰該總稅務司遵照此令

總稅務司呈 關務署代電第三十一號 中華民國二十一年九月二日

南京關務署張署長鈞鑒關於領事簽證貨單一事奉

財政部關字第二八八四號令轉外交部所定變通辦法如外貨確已領過出口地領事簽證貨單因押款

手續或中途遺失無單呈驗者由海關先令繳三倍罰款在三個月內補呈貨單由關發還罰款逾期照章在關補領等因查前奉第二五八及二七〇九號

部令外交部規定凡在九十兩月起運貨物如無貨單而在關補領者照費金單位五個不處罰金在十一十二兩月起運者如無貨單加倍納費等因在案此次所規定因押款或遺失繳納三倍罰款辦法如商人係因押款關係則所繳三倍罰款固可在三個月內領還如確係遺失而又恐在原出口地難於補領副本則商人爲避重就輕計必不願報明遺失而謊稱未領有簽證貨單願在海關照金單位五圓或十圓之例繳納海關殊覺無從查明真僞職意爲公允起見凡因押款或遺失無單呈驗者其所繳罰款數目應與未領有簽證貨單在海關補繳簽證費者一律辦理即九十兩月起運者繳押款金單位五圓十一十二兩月十圓迨明年一月起一律照三倍繳納是否可行乞核示遵行總稅務司梅樂和冬叩

財政部關務署代電第一三八五號

中華民國二十一年九月十日

上海梅總稅務司覽冬日三十一號代電所陳凡因押款或遺失無單呈驗者其所繳罰款應與未領有貨單補繳簽證費辦法一律辦理一事已由署電准外交部復稱自可准予施行等語仰即知照署長張蒸印

## SEMI-OFFICIAL CIRCULAR No. 88.

**Liang Kwang Customs: narrative of detention of Additional Revenue by Southern insurgents in 1931.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 23rd September 1932.

SIR,

S/O Circulars Nos. 69 and 72\* describe in detail the seizure of the Tientsin Customs by the Shansi party, and I now place on record a brief account of the detention of the Liang Kwang Customs Additional Revenue in the following year, 1931, by the Canton party. The relative facts of past history respecting the principles governing the collection and banking of Customs revenue, and the administration of Indemnity and Loan obligations were briefly outlined in S/O Circular No. 72, and need not be reiterated here, but it is appropriate for me to allude to the so-called "Canton movement" which culminated in the virtual independence for the time being of the Liang Kwang Provinces.

Political differences between the Central Government and the local provincial administration were evidenced early in May 1931 by the appointment of the Mayor of Canton, Mr. Lam Wen-kai (林雲堦), to the post of Financial Commissioner and Treasurer in succession to Mr. Fan Chi-wu (范其務); and by the departure from Canton of General Chên Ming-shu (陳銘樞). A new "Government," styled the "National Government," was formally inaugurated on the 28th May; and Mr. Ku Ying-fen (古應芬) informed Mr. Braud,† the Canton Commissioner, that the local

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\* *Antea*, vol. iv, pp. 300, 387.

† André Charles Eugène Braud was born on the 5th February 1883 at Fontainebleau, France. After graduation as Bachelier és Lettres at the University of Montpellier he joined the Customs Service on the 16th December 1901 as 4th Assistant, C, and was appointed to Pakhoi, where he remained for almost two years. From December 1903 to May 1907 he was stationed at Nanking, and here he laid the foundations of that thorough knowledge of Chinese for which he afterwards became distinguished. He served subsequently at Swatow for two years, at the Inspectorate at Peking for three years, and was at Shanghai in August 1914 when he was called to the colours on the outbreak of the Great War. On return to China in April 1918 he was appointed for a few months to Shanghai before being moved to Wuhu, where he was given charge of the Native Customs and where he remained till May 1920. He was then retransferred to Shanghai, and while there was appointed Deputy Commissioner on the 1st April 1921. From October 1922 to October 1927 he served at the Inspectorate at Peking in the capacity of Chinese Secretary, being promoted Commissioner in April 1924. On return from long leave in October 1928 Mr. Braud was placed once more in charge of the Chinese Secretariat

authorities would claim a share of local revenues. In June the Canton "Government" issued definite instructions that the Liang Kwang Customs Additional Revenue be remitted to Canton and not to Nanking; that communications from the Canton Special Finance Deputy (廣東財政特派員) to the Commissioners of Customs concerned were to be regarded as being authoritative; and that orders issued by the Central Government after the 28th May 1931 would not be recognised. And about this time, furthermore, it was announced that an issue of premium bonds (\$30,000,000) in Canton, secured on the Additional Duties, would be arranged.

In view of the temporary independence of the South, it seemed obvious to me that a cautious policy of compromise was essential, and, this being understood, I endeavoured to arrange that the Additional Revenue collected by the Liang Kwang Custom Houses be detained provisionally in Canton for the use of the local authorities, on the understanding that the old 5 per cent Revenue be remitted to Shanghai for the service of the Indemnities and Foreign Loans secured on the Customs. It was realised, of course, that the 5 per cent portion of the revenue would not entirely cover Canton's share of the above obligations, but, notwithstanding this, I formed the opinion that it would not be politic in the circumstances to attempt to drive too hard a bargain. The Government, on the other hand, naturally opposed local interference with revenue interests and the proposed flotation of a loan secured on such revenue in the South, and the question of withdrawing all the Southern staffs concerned was considered. On the 27th July 1931 I addressed the Minister of Finance on the subject and advised against the withdrawal scheme; and pointed out that the proposal to issue premium bonds on the security of the Customs revenue could probably be quashed

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at the Inspectorate, this time at Shanghai. From May 1929 to April 1932 he was Commissioner in charge of Canton, and it was during his incumbency of this post that the momentous events referred to in this S/O Circular took place. After being in charge for a few months at Chefoo in 1932 he was once more moved to the Inspectorate, where he served as Non-Departmental Secretary from October 1932 to March 1933, assisting, *inter alia*, in the compilation of the first edition of the "Code of Customs Regulations and Procedure." From March 1933 to January 1935 he was Commissioner in charge of Shanghai. His final year of service (1936) was passed as Financial Secretary at the Inspectorate. He retired on the 15th December that year, returned to France, and died in November 1938 at Nice. While at Shanghai in 1921 in charge of the General Office Mr. Braud compiled the well-known and invaluable "Handbook of Customs Procedure at Shanghai," which ran through two editions. Mr. Braud, who had an unusually clear and incisive mind, was an exceptionally gifted linguist and a man of great charm and force of character. The Chinese Government recognised his services by decorating him with the Order of the Chia Ho, 4th Class, 3rd Class, and 3rd Class with Brilliance; the Order of the Brilliant Jade with White Cravat; and the Customs Gold Medal for Meritorious Service. His own Government conferred on him the distinction of Chevalier de l'Ordre National de la Légion d'Honneur. For his services during the Great War he was decorated with the Médaille Militaire and the Croix de Guerre avec Palme.

by the publication of an official declaration by the Ministry denouncing it as illegal and warning the public that the Government would not recognise it, etc. A few days later Dr. T. V. Soong published the following manifesto, warning the public that any bonds issued in Canton on the security of the revenue would be null and void (*vide* "North-China Daily News," 30th July 1931):—

"As the obligations charged on the Customs revenue, namely, "Foreign Loans, Indemnities, National Loans, and the "appropriation for unsecured domestic and foreign indebtedness, "are secured on that revenue, as a whole, and not on any one "specific part of it; and as the so-called 5 per cent Revenue "(which would have accrued if only the original 5 per cent tariff "had been in force) is totally inadequate now to meet these "obligations, even those of the Foreign Loans and Indemnities "alone, and as the Canton rebels are now arbitrarily appropriating "for their own use the whole of the Additional Duties collected "in the Liang Kwang ports (*i.e.*, duties over and above the "original 5 per cent tariff), which are necessary for the full service "of the above obligations, it follows that the Canton rebels in "proposing an issue of premium bonds secured on the Additional "Duties are not only infringing the integrity of the Customs "Service, but also usurping the recognised rights of the bondholders "of the above-mentioned foreign and national obligations.

"In view of these facts, therefore, the Minister of Finance of "the Government of China hereby notifies bankers, merchants, and "all whom it may concern that any issue whatsoever of bonds, "whether premium bonds or ordinary loan bonds, put out by the "Canton rebels and secured on the Customs revenue, or any part "of such revenue, are null and void, and will not be recognised in "any way by the Government of China as having any claim on "National funds, past, present, or future, for payment of redemption "and/or interest."

I was authorised, at the same time, to transmit, through the medium of the Commissioner of Customs, the following telegram to Canton, relating to the inadequacy of the revenue remittances received from the Liang Kwang Custom Houses:—

"The Canton *communiqué* issued at the time of the "seizure of the Liang Kwang Customs revenue stated that "provision would be made for '(a) the administrative "expenses of the Custom Houses in the two provinces "and (b) the Liang Kwang 'share of the service of the "Foreign Loans and Indemnities charged on the Customs.'



“Also, there was a circular telegram to the country dated May 30, 1931, by the newly organised authorities to the effect that no acts of the National Government subsequent to May 28, 1931, would be respected. In addition, a communication dated June 15, 1931, was sent by the Standing Committee of the Canton authorities signed by Messrs. T'ang Shao-i, Wang Ching-wei, Sun Fo, Ku Ying-fen and Hsu Chung-chi to various banks throughout the country and to the National Loans Sinking Fund Trustees which categorically stated that while acts of the National Government subsequent to May 28, 1931, would not be recognised, domestic bonds and treasury notes issued prior to that date would be scrupulously honoured, and their service carried on as before. It is thus admitted that the Liang Kwang Custom Houses should contribute their proportion of the cost of service of Customs-secured obligations outstanding May 28, 1931. In 1930, and also in the first four months of 1931, these offices produced about 11.5 per cent of total Customs revenue. In 1931, the service of interest and amortization of Customs-secured obligations for indemnities and foreign domestic bonds and treasury notes issued before May 28, 1931, and for which the Inspector General of Customs has to provide funds, is as follows: Foreign Loan and Indemnity obligations, *U.S. Dollars* 38,204,000 approximately, equal to *C.G.U.* 95,510,000; and Domestic Loan obligations, *Silver Dollars* 114,677,000 approximately. The share of the Liang Kwang Custom Houses is thus 11.5 per cent of these sums, or about *C.G.U.* 915,000 plus *Silver Dollars* 1,100,000 monthly. Commencing from the seizure of the Customs revenue on June 10, only the old 5 per cent Duty was remitted to the Inspector General; the Additional Duties were entirely seized. Hence, during the month of June, there were received from the Liang Kwang Customs total remittances aggregating only \$1,103,846; during July up to July 15 total remittances aggregating only \$196,123. It is clear that these remittances are grossly inadequate to provide the amount which the Liang Kwang Customs should contribute as above set forth. I am, therefore, directed to insist that sufficient remittances be made to Shanghai immediately in order to make good the shortage, and that the proper amounts be remitted promptly in future.”

I ought also to mention that on the 3rd June I received the following telegram from Canton, requesting me to proceed South and transfer the Inspectorate to Canton:—

“ Confidential. This telegram addressed to Inspector General by Minister and Vice-Minister of Finance of National Government Canton has been to-day handed to me for transmission to you. Message begins: We beg to inform you that the Kuo-min-tang has withdrawn from Chiang Kai-shek all power and authority hitherto exercised by him as Chairman of the National Government at Nanking and ordered the immediate dissolution of the said Government. In the place and stead of the said Government, the Kuo-min-tang has constituted at Canton the National Government of the Republic of China which being the only legal Government in China, has appointed us, Teng Shao-yin and Wu Shang-ying as Minister and Vice-Minister of Finance respectively. You are hereby instructed that henceforth you are to take orders from this Ministry in the performance of your duties as Inspector General of the Chinese Maritime Customs. You are further instructed to remove immediately to Canton the Inspectorate General of the Chinese Maritime Customs and to come yourself to Canton at once. You are further instructed to issue orders to all Chinese Maritime Custom Houses to have all revenue remitted to this Ministry. Please reply by wire your execution of the above instructions not later than twenty-four hours after receipt of this message. Teng Shao-yin. Wu Shang-ying. Message ends.”

and, recognising the fact that I would refuse to acquiesce, the Minister of Finance sent for Mr. J. W. Stephenson,\* the Kowloon Commissioner, and addressed him verbally in the following sense:—

“ As it may be presumed that Mr. Maze will not be able himself to come or transfer Inspectorate to Canton, our next step will then be ourselves to appoint an Inspector General and we offer you the post. Will you accept? ”

Mr. Stephenson declined to entertain such a proposition, and on the 5th June 1931 Mr. Braud and he telegraphed to me thus:—

“ Situation this morning is as follows and is of utmost urgency: time limit for your reply to Minister of Finance telegraphic message having expired—no definite reply

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\* *Antea*, I.G. Cir. No. 3617, vol. iv, p. 83 (footnote).

“ having been received—National Government Canton now  
“ prepared to act but at our urgent request and in the desire  
“ to maintain integrity of Customs Service are temporarily  
“ withholding action, and in interest solely of integrity of  
“ Customs Service and Foreign Loan Service do not desire  
“ to make any change in administration of Customs as a  
“ unified institution if Commissioners at Liang Kwang  
“ ports are instructed immediately by urgent telegram from  
“ Inspector General to remit total Additional Duties to  
“ National Government Canton as from 4th June 1931.  
“ If Commissioners, owing to failure to receive such  
“ instructions, do not at once commence remitting  
“ Additional Duties, National Government will take  
“ immediate steps to assume complete control of Customs  
“ in Liang Kwang, thus necessitating, as a result of  
“ Inspector General’s inability to obtain compromise,  
“ splitting of Customs Service, responsibility for which  
“ will not rest with Canton. . . .”

I have already shown that in the early stages of the *impasse* I myself advocated a settlement on the general lines set forth in the above message; and happily on the 9th June 1931 I was empowered to arrange a compromise, on the understanding that if the insurgents seized the Additional Revenues the Commissioners were to adopt an attitude of submitting to *force majeure* and yield under protest, but not by negotiation. This policy was adopted, therefore, and it preserved the integrity of the Customs Service during a period of unusual political uncertainty and confusion. On the 1st January 1932 peace was restored and the normal remittance to Shanghai of the Additional Duties collected in the Liang Kwang Custom Houses was resumed.

I wish to state, in conclusion, that Mr. Braud in Canton and Mr. Stephenson in Kowloon—with their colleagues in the other local ports concerned—dealt with the various questions which arose in connexion with this affair in an able, resolute, and tactful manner throughout, and it was largely due to their successful action in Canton and Hongkong, respectively, that the interests of the Service were protected and its prestige in the South maintained.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## CIRCULAR No. 4502 (SECOND SERIES).

Custom Houses at Harbin, Shenyang, Newchwang, Antung, Lungchingsun, and Dairen closed on 25th September 1932 until further notice, due to action of so-called "Manchukuo" authorities: instructions *re* duty treatment to be accorded to cargo to and from Manchuria; junk-borne cargo, I.W.S.N. Certificates, recording of revenue, etc.; establishment of Custom House at Shanhaikwan under control of Chinwangtao Customs notifying.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *6th October 1932.*

SIR,

Following the announcement of the so-called "Manchukuo" authorities that from 25th September 1932 they would treat China as a foreign country and levy import duty on all goods imported from China into Manchuria and export duty on native goods shipped to China, the Chinese Government issued instructions that, as a result of the occupation of Manchuria by Japan, and, in the case of Dairen, because of the failure of the Japanese authorities to carry out the terms of the Dairen Customs Agreement, the Custom Houses at Harbin, Shenyang, Newchwang, Antung, Lungchingsun, and Dairen were to be closed on 25th September 1932; and that, as the lawful Customs revenue could no longer be collected at these ports, the duties and dues concerned were to be collected at other ports in China for the time being.

These instructions were embodied in the following Customs notification, which was sent to the ports on 23rd September 1932, either by telegram or under cover of Chief Secretary's Memorandum No. 4150, and I now append copy of Kuan-wu Shu despatch No. 8063 confirming the instructions contained therein.

"In accordance with the instructions of the Government, the public are hereby notified that, in view of the occupation of Manchuria by Japan, the National Government are unable temporarily to collect the lawful Chinese Customs revenues at the Manchurian ports and instructions have been issued that the Custom Houses at Harbin, Newchwang, Antung, and Lungchingsun are to be closed on the 25th September 1932 and remain closed until further notice, and that Customs duties which should legally be collected at those ports will temporarily be collected at other Chinese ports.

“ The duty treatment of cargo shipped to the above ports will accordingly be as follows:—

*Native Goods (including Factory Products):* no change.

*Foreign Goods :*

E.C. and D.P.O.I. cargo: no change.

‘To Pay’ cargo: to pay import duty at port of shipment.

Non-duty-paid transhipment cargo: to pay import duty at port of transhipment.

Cargo *ex* bond: to pay import duty at port of shipment.

“ The duty treatment of cargo on arrival from any of the above Manchurian ports will be as follows:—

*Native Goods :* to pay interport duty and interport surtax.

*Factory Products :* to pay factory products taxes and surtaxes which would normally be collected at the above ports.

*Foreign Goods :* to pay import duty.

“ Owing to the failure of the Japanese authorities to permit the Chinese Customs to function in the Kwantung Leased Territory in accordance with the Dairen Agreement, it is impossible for the Customs to ascertain the provenance and destination of cargo from and to Dairen; therefore, the following duty treatment will apply:—

*Cargo to Dairen :*

*Native Goods :* to pay export duty.

*Factory Products :* irrespective of ultimate destination, to pay factory products tax.

*Foreign Goods :* Same duty treatment as for other Manchurian ports (see above).

*Cargo from Dairen :* All cargo to pay import duty.

“ The relative revenue and flood relief surtaxes are also to be collected.

“ Customs documents covering cargo sent to the above ports will be handed to shippers. Documents issued at the above ports to cover cargo shipped after 25th September 1932 will not be recognised.

"Duty will not be levied on through cargo from abroad, *i.e.*, cargo consigned to the above ports but remaining on original vessel, or on native through cargo from the above ports consigned to foreign ports but remaining on original vessel.

"Tonnage Dues Certificates issued in the above Manchurian ports on and after 25th September 1932 will not be recognised."

You will observe that the principle underlying the Government's instructions concerning the closing of the Custom Houses at Harbin, Antung, Newchwang, and Lungchingtsun is that Manchuria remains an integral part of China, and the duty treatment of cargo between Manchurian ports and China is, as far as possible, to approximate present practice, except that the duties will be collected at ports south of the Great Wall.

On account of the failure of the Japanese authorities to permit the Chinese Maritime Customs to function in the Kwantung Leased Territory, you will see that it has been necessary to provide for special duty treatment of cargo to and from Dairen.

In applying the Government's instructions, one of the first questions which arises is how to identify cargo from Manchuria (except Dairen) as native in order to determine whether it is to pay interport duty. Certain commodities, *e.g.*, beans, are fairly identifiable as Manchurian produce, while other commodities, *e.g.*, coal, are not identifiable as being of Manchurian origin. As a practical guide to the ports on this point, a provisional list of articles which, when arriving from Harbin, Newchwang, Antung, and Lungchingtsun, are to be considered as native and treated accordingly, was circulated to the ports in Tariff Secretary's Printed Note No. 20.\* Goods not appearing in this provisional list are to be considered as foreign.

Native junk-borne cargo between Manchuria (excepting the Kwantung Leased Territory) and other places in China is to be passed free of duty. Native junk-borne cargo to the Kwantung Leased

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\* With reference to Chief Secretary's Memorandum No. 4150:

Forwarding draft Customs notification concerning the closing of the Custom Houses in Manchuria:

you will have noticed that the Government has ruled that native cargo arriving at a Chinese port from Harbin, Newchwang, Antung, or Lungchingtsun is to pay interport duty and interport surtax, etc.

This duty treatment, of course, applies only to cargo which is identifiable as native: cargo of which the origin is unidentifiable must be considered as foreign and treated accordingly.

Territory is to pay export duty, and native junk-borne cargo from the Kwantung Leased Territory is to pay import duty. Junk-borne foreign goods from all Manchurian ports are to pay import duty.

Inland Waters Steam Navigation Certificates issued in Manchurian ports, including Dairen, on or after 25th September are not to be recognised; and vessels are not to be cleared to Manchurian ports under I.W.S.N. Regulations.

Revenue collected at your port, acting on behalf of the Manchurian ports, is to be credited to the proper revenue account, but a separate record of such revenue should be kept for possible reference.

In order to protect the revenue on foreign goods entering North China by rail from Manchuria, a Customs office under the control of the Chinwangtao Commissioner has been established at Shanhaikwan. Native rail-borne goods to and from Manchuria will provisionally continue to be passed free of duty, but foreign goods from Manchuria will be required to pay the lawful import duty at Shanhaikwan.

I am, etc.,

F. W. MAZE,

*Inspector General.*

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In order to facilitate the work of identification and to ensure uniformity of duty treatment, the following cargo, if arriving direct from any of the above ports, is provisionally to be considered as native:—

Seed, Perilla.	Buckwheat.	Bran, Wheat.
" Melon.	Maize.	Cereals, n.o.p.f.
" Cotton.	Oats.	Hides, Horse, Ass,
" Sesamum.	Paddy.	and Mule.
" Hemp.	Rice.	Horsehair.
Seed-cake, Bean.	Rye.	" Tail.
Peas.	Wheat.	Bristles.
Beans.	Flour, Wheat.	Bones, Animal.
Bean Meal.	Millet.	Bone Dust, Refuse.
Barley.	Kaoliang.	Sheep's Wool.
" Pearl.	Fodder.	Camels' Wool.

All other cargo arriving from the above ports is, for the time being, to be treated as of foreign origin.

The public may be advised of the above procedure if inquiry on the subject is made.

## ENCLOSURE.

財政部關務署密令政字第八〇六三號 中華民國二十一年九月二十八日

令總稅務司梅樂和

爲密令事案照本部前以東三省現時狀態該處各海關不能合法征稅提議擬在關內設關征稅經呈奉行政院第三六九二號密令內開爲密令事案據該部部長提案稱爲提案事自本年春暴日強奪東省各海關以來我政府始終涵忍舊日辦法絕未更動來去東省之貨物亦未另加關稅蓋日本之意原欲使東省在經濟上與關內脫離變爲日本之一部份更希冀我取報復政策使關內與關外由我而脫離經濟關係並可藉口向各國宣傳謂關內與關外之經濟脫離因我方封鎖東省與關內之往來逼迫使然藉以淆惑國際視聽我政府洞矚奸謀且以東三省爲我國之土地東三省之人民爲我國之人民是以再四容忍使脫離之責任由日本負之且報復政策對於關稅收入亦不能爲有效之增加而國聯會再三勸告勿使事態增加嚴重故凡可認爲挑釁之舉動我方始終力求避免也現在日本已正式宣告自九月二十五日起僞國於關稅方面將視我國爲外國自關內至東省或自東省至關內之貨物決征進出口稅日方既有此公告則今昔情形不同吾國不得不有相當之應付方法茲臚陳如下（一）視東省爲外國自東省至關內之貨物征進口稅自關內至東省之貨物征出口稅（二）採報復方法禁止貨物出入東省（三）視東省



爲在叛亂狀態中詳考第一方法視東省爲外國自政治方面觀察萬不可行且用第一法後之關稅收入不能多於第三法第二方法須用艦隊封鎖東省或斷絕東省與關內之交通事實上爲不可能權衡輕重第三方法實最妥適緣貨物之自東省來關內或自關內去東省者另在關內各口征收關稅一如東省之海關已移在關內各口辦公申言之卽謂在目前狀態之下政府不能在東省各關合法的征收關稅故在東省應征之稅改於關內征收如此則收入稅額與用第一法同而將來仍可隨時採取較嚴厲之辦法子文今鄭重提議擬請政府採第三項辦法交子文執行（一）表示政府對於東省人民深加體恤（二）昭示中外東三省經濟上脫離關內各區實爲日本所迫而然（三）將來隨時可舍此辦法採取較嚴厲之手段（四）事實上政府採取第三方法比較第一第二方法不多受損失也理合提請公決等情據此經提出本院第六十五次會議決議一、原則通過二、由外交財政兩部妥擬詳細辦法三、呈報政治會議等因除照案呈報並分令外合行令仰該部遵照會同外交部妥擬詳細辦法呈核此令等因復經會同外交部擬具佈告詳列各項辦法呈復在案茲奉

行政院指令呈件均悉經提出本院第六十六次會議決議通過除呈報中央政治會議備案外仰卽照所擬辦法布告施行可也並轉咨外交部知照布告稿隨令發還此令等因奉此除由部咨行外交部外合亟鈔同佈告稿令仰該總稅務司遵照辦理并將施行日期具報備案此令

附鈔布告稿一件

## 佈告底稿

## 爲佈告事現奉

政府令飭茲因遼寧吉林黑龍江三省爲日本佔據暫時無從徵收合法關稅自本年九月二十五日起至另令解放時爲止將哈爾濱牛莊安東龍井村各海關封閉所有在各該海關應徵合法關稅暫由國內別處海關徵收詳細辦法開列於左

## 運往上述各該省口岸貨物徵稅辦法

## 一、國貨（廠製貨物在內）仍舊

## 二、洋貨

（甲）向給免重徵執照及批明進口稅已完納者仍舊

（乙）向來批明應徵字樣者在裝運口岸徵進口稅

（丙）向來在到達口岸徵稅之轉船貨在轉船口岸徵進口稅

（丁）提出關棧貨物在裝運口岸徵進口稅

由上述各該省口岸運來貨物徵稅辦法

## 一、國貨 徵轉口稅及轉口附加稅

二、廠製貨物 向在各該省口岸徵收之廠製貨物稅及附加稅均在進口口岸徵收

三、洋貨 徵進口稅

大連租借地內日本當局拒絕中國海關根據大連海關協定行使職權以致貨物之出入大連者海關無從確定其來源與其目的地爰定徵稅辦法如左

#### 貨物運往大連

一、國貨 徵出口稅

二、廠貨 不論其最後目的地概徵廠貨稅

三、洋貨 徵稅辦法與運往上海各該省口岸同（見上）

#### 由大連運來貨物

一、凡貨物均徵進口稅 應徵之關稅附加稅及救災附加稅一律照徵

運往上海各該省口岸貨物所有關單逕交運貨人收執自本年九月二十五日起在各該口岸裝運貨物所領之一切單據概作無效凡通運之洋貨直接自外洋運往各該口岸中途並不離開原船者毋庸徵稅或通運之國貨直接自各該口岸運往外洋中途並不離開原船者亦不徵稅自本年九月二十五日起上海各口岸所發徵收船鈔證亦作無效仰即遵照等因奉此自應遵辦仰各商人一體周知特此佈告

## CIRCULAR No. 4503 (SECOND SERIES).

Custom House at Aigun closed on 26th September 1932 until further notice, due to disturbances in North Manchuria, notifying.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 6th October 1932.

SIR,

With reference to Circular No. 4502:\*

Custom Houses at Harbin, Shenyang, Newchwang, Antung, Lungchingsun, and Dairen closed on 25th September 1932 until further notice, due to action of so-called "Manchukuo" authorities: instructions *re* duty treatment to be accorded to cargo to and from Manchuria, etc.:

I now have to append copy of my despatch No. 3421 to the Kuan-wu Shu and Kuan-wu Shu despatch No. 8050 in reply, from which you will see that, owing to the disturbances in North Manchuria, it has been found necessary to close the Custom House at Aigun from 26th September 1932 and to withdraw the staff temporarily pending further instructions.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Antea*, vol. v, p. 73.

## ENCLOSURE.

總稅務司呈 關務署文第三四二一號 中華民國二十一年九月二十二日

呈爲呈報事案查前據愛琿關稅務司周驪報稱愛琿一帶交通隔絕食糧缺乏情勢異常嚴重等情曾經備具第三二九一號文密呈

鑒核並奉

鈞署政字第七七八六號指令已由部據情密呈

行政院鑒察等因在案茲又迭據該稅務司電稱近數月來本口地方交通隔絕商業已完全停頓無稅可收而境內復迭遭變兵搶劫食糧缺乏人心惶惶朝不保夕所有職關人員已處於危險之域現在冬令將屆情勢尤爲嚴重等情據此查愛琿一帶交通隔絕商業停頓毫無稅收又兼變兵劫掠食糧缺乏人心騷動而冬令將屆情勢尤屬危急異常自應將該關暫行封閉一俟將來情形稍佳再行相機設法開辦至該關所有各關員如在該處仍有危險應即全體撤退以保安全除電飭該稅務司遵照辦理外所有暫行封閉愛琿關緣由理合備文呈報

鈞署鑒核謹呈

財政部關務署長張

財政部關務署指令政字第八〇五〇號 中華民國二十一年九月二十六日

令總稅務司梅樂和

呈一件呈報愛琿關暫行封閉情形請鑒核由

據呈已悉此令

## CIRCULAR No. 4516 (SECOND SERIES).

**Junks: modification in rules governing junks trading between China and Dairen or places in the so-called "Manchukuo," notifying; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 1st November 1932.

SIR,

1.—With reference to Circular No. 4502:\*

Custom Houses at Harbin, Shenyang, Newchwang, Antung, Lungchingsun, and Dairen closed on 25th September 1932 until further notice, due to action of the so-called "Manchukuo" authorities: instructions *re* duty treatment to be accorded to cargo to and from Manchuria; junk-borne cargo, I.W.S.N. Certificates, recording of revenue, etc.; establishment of Custom House at Shanhaikwan under control of Chinwangtao Customs, notifying:

I have now to inform you that, in order to carry out the provisions of this Circular in regard to the duty treatment of junk-borne cargo, it is necessary to introduce modifications in the present conditions under which junks are allowed to trade between the Chinese coast and Dairen or places in the so-called "Manchukuo." Hitherto, owing to the fact that, in the Customs treatment of shipping, Dairen has been accorded treaty port status, junks trading there have only been called upon to register for domestic trade in the terms of the Regulations for the Control of Sea-going Junks, which, among other privileges, have entitled them to proceed direct to and from Dairen and places on the coast at which there are no Customs establishments. This arrangement was found to be sufficiently satisfactory so long as the Customs were functioning at Dairen and were able to collect the duties due on cargo carried direct between places on the coast and Dairen, but with the closing of the Dairen Custom House the machinery necessary for the control of this trade was destroyed, and there was no means of ensuring that cargo so carried paid the requisite duties. With a view to safeguarding the revenue, therefore, the privilege by which junks with Pass-books endorsed for domestic

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\* *Antea*, vol. v, p. 73.

trade have been allowed to trade to Dairen is withdrawn, and in future all junks wishing to trade there can only do so provided that they are registered for foreign trade in accordance with the provisions of the Junk Regulations. This ruling will *ipso facto* restrict their movements to places on the Chinese seacoast at which there are Customs establishments where all duty requirements can be met.

2.—The instructions of the above Circular called for no change in the treatment of native junk-borne cargo between places in the so-called “Manchukuo” and other places in China, while the status of Newchwang and Antung as treaty ports remained generally unaffected. Seeing, however, that the Customs revenue can no longer be collected at these ports and that, for the time being, all the duties concerned, including the import duty on foreign goods carried by junk, are to be collected on arrival of the cargo at other places in China, it is necessary to prohibit all junks carrying foreign cargo from these ports or places in their vicinity from proceeding direct to places in China at which there are no Customs establishments. While, therefore, junks with their Pass-books endorsed for domestic trade may continue to trade between Newchwang and/or Antung and other places in China as heretofore, an additional endorsement in their Pass-books is to be made to the effect that they are only permitted to carry foreign cargo from those ports or places provided that they proceed direct to places on the Chinese coast at which there are Customs establishments, and that a violation of this rule will render both the junk and the cargo on board liable to confiscation. Since, however, only the commodities specially listed in Tariff Secretary’s Printed Note No. 20 may be recognised as native while all others are to be treated as foreign, and since simple junkmen may neither know nor readily understand this, you will have, with this in mind, to exercise discretion in the infliction of penalties on junks and/or cargoes.

3.—Commissioners at the ports affected by the above instructions are to issue the necessary notification, copies of which are to be posted in conspicuous places at the Customs establishments on the seacoast under their control.

4.—Junk Licences and Junk Pass-books issued at Antung or Newchwang after 25th September 1932 are not to be recognised.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## CIRCULAR No. 4530 (SECOND SERIES).

**Gold unit duties: payment of, in silver; remarks and instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 25th November 1932.

SIR,

1.—With reference to Circulars Nos. 4025, 4037,\* and 4074 and Financial Secretary's Printed Note No. 6:†

Instructing, with regard to the collection of gold unit duties on imports from abroad, that at those ports where there is a gold exchange market the Customs gold unit/local currency rate is to be fixed daily on the basis of the T.T. rate published by the exchange banks on the opening of the market for the most favourable gold unit equivalent in silver, and notifying that those ports where there is no gold exchange market, and where therefore such exchange information is not available, will be supplied regularly by the Inspectorate

\* *Antea*, vol. iv, pp. 261, 269.

† With reference to section 5 of I.G. Cir. No. 4025, Second Series, setting forth the way by which at each port the equivalent of the gold unit in its local currency is to be calculated, it has been suggested that, as the Haikwan tael/local currency rates have in most places been announced in terms of 100 Haikwan taels, it will be more convenient for practical purposes to follow this latter practice at all ports when publishing the gold unit/local currency rates. In future, therefore, the code word "WIGE," in the periodical telegrams sent to you from the Inspectorate, is to be understood as expressing the Haikwan tael equivalent of 100 gold units.

To facilitate the application of the gold unit/local currency rates by the collecting banks and/or the Customs Revenue Staff, it will suffice, however, to calculate such rates to two decimal places only, raising the second place by 1 if the third place amounts to 5 or over, *e.g.*—

$$\begin{array}{rcl} 73.80 & \text{(Haikwan tael equivalent of 100 gold units as wired by I.G.)} & \\ \times 155.63 & \text{(rate between Haikwan taels and dollars at, say, Foochow)} & \\ \hline = 114.85494 & & \end{array}$$

Therefore, the rate to be used should be *G.U.* 100 = \$114.85.

Again,

$$\begin{array}{rcl} 73.80 & \text{(Haikwan tael equivalent of 100 gold units as wired by I.G.)} & \\ \times 156.65 & \text{(rate between Haikwan taels and dollars at, say, Canton)} & \\ \hline = 115.6077 & & \end{array}$$

Therefore, the rate to be used should be *G.U.* 100 = \$115.61.

On the other hand, because the gold unit collection rate is carried to only two places of decimals, the actual outturn in local currency of the gold unit collection and the Haikwan tael equivalent of this outturn converted at the Haikwan tael/local currency rate will probably show discrepancies when entered in the sub-statements called for in section 7 of I.G. Cir. No. 4025 in support of the monthly



with official rates in terms of Haikwan taels to form the basis for the calculation of the equivalent of the gold unit in local currency:

I desire to point out that the purpose of the publication of a Customs daily rate at those ports where facilities exist for the payment of gold unit duties by means of gold unit notes, etc., in the terms of Circulars Nos. 4239\* and 4242, is to provide merchants with the alternative of making payment of such duties either in gold or in silver, while the Customs rate at other ports represents the sole medium available to local importers of foreign goods to meet their gold unit obligations.

2.—It should be apparent, therefore, that regular and close supervision at ports of the daily gold unit/local currency rate is of urgent necessity in order to ensure that the revenue shall not suffer

[B.—6] and [B.—8] reports. In order to avoid the unnecessary labour of accounting for discrepancies of this nature, I am now directed by the Inspector General to authorise all ports to prepare the said sub-statements on the following lines:—

(1) FOREIGN REVENUE ACCOUNT.

<i>Total Gold Unit Collection of Import Duties and Inward Transit Dues.</i>			
<i>G.U.</i>		<i>\$</i>	<i>Hk.Tls.</i>
1st period: 12,345.678 @ 115.61		= 14,272.84 @ 156.65	- 9,111.293
(Date-date)	(73.80 × 156.65 = 115.6077)		
2nd period: 30,124.567 @ 126.10		= 37,987.08 @ 156.65	- 24,249.652
(Date-date)	(80.50 × 156.65 = 126.10325)		
3rd period: 28,345.123 @ 119.21		= 33,790.22 @ 156.65	- 21,570.520
(Date-date)	(76.10 × 156.65 = 119.21065)		
<u>70,815.368 @ various rates</u>		<u>= 86,050.14 @ 156.65</u>	<u>= 54,931.465</u>

In the "Local Currency" and "Haikwan Tael" columns the figures to be filled in are, respectively, the sum total of the daily outturns in local currency (as actually reported by the collecting bank or the Customs Revenue Staff) and that of the Haikwan tael equivalents (as worked out and recorded in the Cash Book day by day by the revenue accountant). It may often happen, however, that the daily outturns of a period, though checked and found correct by the revenue accountant day by day, when added together, do not represent the exact equivalent of the gold unit collection for the same period; and slight discrepancies may likewise be found to exist between the local currency periodical totals and their Haikwan tael equivalents. Such discrepancies are easily understood here so long as they are reasonably small. No explanation whatsoever need be made in case such exist in the gold unit/local currency conversions. Should such be found in the local currency/Haikwan tael conversions, in order that they may not affect the balances in the Revenue Accounts concerned, they should always be written off by means of a gain or loss by exchange voucher, as the case may be, which procedure has already been adopted at certain ports in accounting for similar discrepancies in the conversion figures of the revenue collected on the Haikwan tael basis.

Finally, I have been instructed to draw your attention to the fact that, although the rates in the new edition of the Import Tariff, now in the press, have been calculated to two places of decimals only, you are for the sake of greater accuracy to continue to calculate your Haikwan tael equivalents for accounts and returns purposes to three places of decimals.

\* *Antea*, vol. iv, p. 474.

loss owing to the employment of a lower rate for the collection in silver of those duties which are payable strictly on a gold basis. It is, of course, recognised that exchange rates may fluctuate throughout the day and that rates fixed by the Customs in the morning may be higher or lower than what is properly payable later on. The fact, however, that our rates are fixed according to nominal opening market quotations—which, generally speaking, are more favourable to the Customs than those at which actual exchange business is transacted—must be regarded as providing us with sufficient margin to offset possible adverse exchange fluctuations occurring later in the day. Strict accountancy, moreover, demands that measures on the lines of those laid down in Financial Secretary's Printed Note No. 15 be introduced at all ports where necessary, so as to render it impossible for a Customs bank to secure to itself the silver collection and to account to the Customs only for the equivalent in gold units of this silver collection.

3.—The following ports now fix, independently of the Inspectorate, their daily rates for the collection of gold unit duties in silver:—

Tientsin, Chinwangtao, Chefoo (including Lungkow and Weihaiwei), Kiaochow, Hankow (including Yochow), Kiukiang, Chinkiang, Shanghai, Foochow, Amoy, Swatow, Canton, Kowloon, Lappa, Kiungchow, and Mengtsz.

This list will be extended as Commissioners stationed at other ports are able to report that authoritative silver/gold exchange information is available locally.

4.—While rigid adherence to the instructions cited above ensures, at ports where foreign exchange quotations can be obtained regularly, the collecting in local currency of the full equivalent of duties expressed in terms of gold units, yet the enforcement of the Wige rate in ports dependent on such rate, as supplied by the Inspectorate in terms of Haikwan taels, cannot, from the revenue point of view, be regarded as satisfactory. This unsatisfactory result is due to the fact that at most ports the collecting of Haikwan tael duties is made in terms of national dollars at a fixed rate, while the exchange value of these national dollars, expressed in terms of Shanghai taels—on which our Wige rate is based,—has been during recent months an abnormally low one. The following illustration will suffice to show the different value, expressed in terms of national dollars, of *G.U.* 100 collected at Shanghai during October 1932 and the same amount collected at, say, Nanking, where the rate for the collection of duty, assessed in Haikwan taels, is fixed at

*Hk.Tls.* 100 = \$155. At Shanghai the average value of *G.U.* 100 during that month was *Shanghai Tls.* 133.95 \$189.90, against an average wired Wige rate to ports of *Hk.Tls.* 120.24, which latter rate permitted an importer at Nanking to meet a payment of *G.U.* 100 with \$186.37. Naturally, therefore, many merchants at Nanking chose during October to pay gold unit duties at this lower dollar rate rather than purchase gold unit credits from the Customs bank, to the manifest disadvantage of the revenue. On the other hand, with normal exchange rates between taels and dollars, when the gold unit collection is made in silver dollars on the basis of ports' fixed exchange for Haikwan taels, the revenue makes a profit—to which, properly speaking, it is not entitled.

5.—With a view, therefore, to placing the collection of gold unit duties in silver on a more equitable basis at ports where payment in gold is not possible, it has been decided as from 1st January 1933 to despatch to the following ports the Wige telegram as representing the equivalent of *G.U.* 100 in national dollars instead of in terms of Haikwan taels:—

Chungking (including Wanh sien), Ichang, Shasi, Changsha, Wuhu, Nanking, Soochow, Hangchow, Ningpo, Wenchow, Santuao, Kongmoon, Samshui, Wuchow, Nanning, Pakhoi, and Lungchow.

As an illustration of how this national dollar rate will be calculated, we may take the actual rates in force on 19th November 1932:—

*G.U.* 100 = U.S. \$40 @ 29¼ (Shanghai Exchange Banks' opening quotation of 19th November) -- *Shanghai Tls.* 136.75 @ 71.05 (opening market rate for dollars) = \$192.47.

The Wige telegram therefore, will from 1st January 1933 communicate the national dollar rate resulting from such periodical exchange calculations. Following precedent, the Haikwan tael value of the daily gold unit collection will be arrived at by dividing the total equivalent of this collection in national dollars by the fixed Haikwan tael/dollar collecting rate in force locally for Haikwan tael duties.

6.—The Wige rate for the Szemao (which is transmitted through the Mengtsz Customs) and Tengyueh offices will continue for the time being to be in terms of Haikwan taels.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## SEMI-OFFICIAL CIRCULAR No. 90.

**Marine Department: Ministry of Communications advance demands to secure control; I.G.'s representations to Minister of Finance refuting criticism and vindicating Customs administration of Lights Service; and Government's decision not to disturb existing arrangement.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 29th November 1932.

SIR,

In the year 1911 the administration of the Post Office was removed from the Ministry of Finance (and the Inspectorate General of Customs) to the control of the Ministry of Communications,\* and, at the same time, the latter proposed that they should also assume charge of the Marine Department of the Customs (Lights Service). The latter proposition was quashed, but the question has been frequently revived since with recurring vehemence, and strong pressure has been exercised, from time to time, to alter the existing system, which is held to be illogical and anomalous—that is to say, it is asserted that there is no precedent for placing the supervision of Aids to Navigation in the hands of the Ministry of Finance. In these circumstances, it may be presumed that the task of combating the overtures of the Ministry of Communications and also of the Ministry of the Navy in this connexion has become increasingly difficult of late. Last May, the former Ministry endeavoured to attain the governance of the Lights, etc., on the Yangtze, on the ground that there is no Treaty stipulation which provides for Customs control over Aids to Navigation on the River; that the power to administer such Aids was originally deputed to the Customs because there was no other competent authority to undertake the work, but conditions having changed and the Ministry of Communications having now qualified Departments (*e.g.*, the Yangtze River Commission—揚子江水道整理委員會) capable of managing them, there is no longer any necessity to retain the Customs River Inspectorate, who perform their work in a perfunctory manner; that as the Customs do not control pilots, the latter pay no attention to the Customs Aids to Navigation; that as the chief function of the Customs Service is to collect revenue, it is not in accordance with

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\* *Vide* I.G. Cir. No. 1802, *antea*, vol. iii, p. 16.

precedent for the River Inspector to receive orders from the Inspector General of Customs, who is not the proper controlling authority; and, finally, in view of the fact that Aids to Navigation, etc., have an important bearing on national defence, it is dangerous to leave the control of the same in the hands of foreigners, who may divulge military secrets in connexion therewith.

History having thus repeated itself, I once more made representations on the subject to Dr. T. V. Soong, refuted the above extraordinary and unfounded charges preferred against the Yangtze River Inspectorate, and convinced him that the Marine Department is in every respect efficient. Furthermore, I emphasised that it ought to be considered that in China the question of the Maritime Customs control of Lights, etc., is closely allied with the question of China's credit abroad, and that the elimination of such control from the Inspectorate would unquestionably occasion misgiving, and create the impression that the authority of the Customs Administration as a whole was being challenged, and their responsibilities and prestige diminished. And I further suggested that, as he is now the Acting President of the Executive Yüan (行政院), it would be appropriate for him to issue official instructions that the existing system is to be maintained and not disturbed, in view of the fact that, while the execution of the order to hand over the Yangtze Aids to Navigation to the Ministry of Communications has been left in abeyance for the time being, the order itself has not been rescinded.

I am happy to state that Dr. Soong has accepted these views and has vindicated our work and policy, with the result that the Executive Yüan have now issued important instructions embodying a communication from the Central Political Council (中央政治會議) to the effect that, while it is recognised that the proposal of the Ministry of Communications to assume control of the Customs Lights, etc., is neither illogical nor unreasonable, it has been decided, nevertheless, to uphold the Central Political Council's original ruling that the administration of Aids to Navigation is to remain for the time being in the hands of the Inspector General, whose representations on the subject have been found to be correct and free from exaggeration; that if the Customs existing control of the Lights, etc., is removed at the present juncture, when the Government are confronted with grave financial problems, the revenue may be adversely affected, in that the idea would be created that the authority and responsibilities of the Customs Service were being abridged; and, lastly, that should circumstances arise requiring the temporary removal of navigational Aids, the necessary measures

should be devised by the General Staff Headquarters (參謀本部) and the Ministry of the Navy in conjunction with the Ministry of Finance, who would issue instructions on the subject to the Inspector General, etc.

What precedes indicates the manner in which the Customs control over Lights, Buoys and Beacons has been again sustained in the general interest, I believe, of trade, revenue and navigation; and I may add that the decision of the Government to preserve unchanged my authority over the Marine Department is in every respect satisfactory.

A copy of the relative Chinese correspondence is appended hereto for record.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE.

財政部關務署訓令第一三一八號中華民國十八年十月二十一日

令總稅務司梅樂和

爲令行事奉

部長發下

行政院訓令一件內開案奉

國民政府第七四九號訓令內開案准中央政治會議咨開本會議第一百八十七次會議准王委員伯羣提議確定航政根本方針案並擬具海關兼管航政移管大綱請核議等由經決議交譚延闓邵力子孫科王正廷王伯羣趙戴文宋子文楊樹莊八委員審查由王委員正廷召集開會在案茲准王委員正廷等提出審查報告復經本會議第一百九十次會議決議依照審查報告通過第三項交立法院第四項交外交部等語除分別函交立法院外交部查照辦理外相應錄案併檢附航政根本方針咨達請查照等由准此經即提出本府第三十八次國務會議決議決議照辦在案除函復並分行外合行抄發航政根本方針令仰該院遵照並轉飭通照等因奉此除分令外合行抄發航政根本方針令仰該部遵照並飭屬遵照此令等因并鈔發航政根本方針一件奉此查該項航政根本方針第二條載向由海關代管航政各部分暫行仍舊惟須同時受中央主管機關之指揮監督其關於海關代管海政部分已歸海軍部指揮者不在此內等語除由部分令各海關監督外合亟令仰該總稅務司遵照此令

財政部關務署訓令關字第二五一號 中華民國二十一年五月十九日

令總稅務司梅樂和

爲令飭事奉

部長發下

行政院第一四一〇號訓令內開案據交通部呈稱查本部組織法第十條第一項有關於管理航政及航行標識并其他一切航政事項之規定是航路標識爲本部職掌願以向由海關代辦延未交回此項規定徒成虛語本部爲尊重法規恪守職掌起見確有亟待收回接管之必要今或於沿海標識縱從緩議而長江標識似難放任茲請先將此項事實理由敬爲鈞院陳之查長江三十年前營輪船運送業者滬漢航綫有招商怡和太古鴻安麥邊各公司往來此間輪船共計五六十艘彼時海關所設標識寥寥較諸現在所設者不及半數然航路亦甚安全未聞各公司請求增設標識者嗣以日清美最時三北各公司加入營業春夏之間又有遠洋商船航行其間長江輪船噸鈔收入遂爲大旺前清光緒三十一年海關始設巡江司 (River Inspector) 一員自此陸續添設各種標識迨自民國七年長江巡江司增設至四員之多民國九年巡江司所掌事權又推廣至長沙重慶置洋員十八人間有非



航船出身者充之均給鉅額薪俸並置輪船十一艘帆船十餘艘下級員役數百人議者謂海關設置此項標識對於輪航多無必要徒爲擴張事權管理航政並藉以開支輪船噸鈔誠屬可信至語其三十年來之成績尤無足取查海關對於長江民船仍徵船鈔而該江內港并無設置航路標識徒令民船祇有完鈔義務並無享受航行利益卽就其原已設置者言之亦屬不適實用觀之現下航行長江之軍艦商船無不僱用引水人爲之帶領顯見該江標識不能爲正確之指示而彼之辦理不善因亦可見至於測繪海道原爲主管設置航路標識者之責而現下全江測繪海道之事由測量局司之巡江司無與焉又測繪該江流量水平分段等則又由交通部揚子江水道整理委員會聘用專門技術人員爲之巡江司亦無與焉是巡江一事海關徒有專司之設對於航行便利實際絕無裨補因查五口通商條約內有沿海設置塔表指示航路由領事官與通商大臣商洽等語至長江係我國內江中英中日商約中僅有允許航船並無沿江設立標識及由海關管理之條文乃三十年來事權旁落顧其成績又復如此此不應仍由海關管理者一也溯海關代辦此項航政之初係因政府並無主管機關委託暫代今既有法規明定本部主管故本部對於揚子江水道之整理則設置委員會專司其事對於航路標識之設置管理又於航政司之職掌範圍明白規定是海關之巡江司已屬贅疣機關應行裁併此不應仍由海關管理者二也近來器械發明

日新月異各項標識爲航術計應有討論改良俾臻實用又內江標識亦應從事設置以爲便利民船不能再令海關之巡江司敷衍塞責此不應仍由海關管理者三也航路標識原爲引水服務之用關係至爲密切該江引水人係中華民籍不隸海關管轄對於海關之設置且亦不相聞問似此各自爲謀事多隔閡難望有良好成績此不應仍由海關管理者四也海關職責專在課稅今巡江司雖亦爲中國官吏而隸屬海關之下原非主管機關系統分歧殊乖政體此不應仍由海關管理者五也航路標識與國防有莫大關係山川險阻乃一國天然屏障今測繪內江水道操諸外人軍事秘密難保不無洩漏且外國民籍之人享有領事裁判權則戰時及戒嚴時所頒條例亦無責成遵守之法權則遇軍事時期殊形窒碍此不應仍由海關管理者六也根據上述事實理由長江航路標識確有收由本部管理之必要擬請鈞院提案討論倘承採納卽請令行財政部轉飭海關迅將長江航路標識限日撥回本部管理以符法規而一事權所有擬議收回長江航路標識由本部接管請予提案討論各緣由是否有當理合備文呈請察核指令祇遵等情到院當經提出本院第二十九次會議決「飭交通部財政部海軍部會商具復」除紀錄并分行外合行令仰遵照等因合行令仰該總稅務司迅就交通部原呈所陳各節發摺意見並按諸事實加以證明呈復本署以憑核辦此令

總稅務司呈 關務署文第三二二二號中華民國二十一年六月二日  
呈爲呈復事案奉

鈞署關字第二五一號訓令內開奉

部長發下

行政院第一四一零號訓令以據交通部呈請轉飭海關將長江航路標識限日收回接管以符法規而一事權一案飭交通部財政部海軍部會商具復等因飭卽迅就交通部原呈所陳各節發抒意見並按諸事實加以證明呈復核辦等因奉此遵查交通部原呈對於海關所辦之長江標識列舉事實肆行詆譭並陳述種種理由請求接管職詳加查核原呈所舉事實固屬毫無根據其所陳理由尤難認爲正當茲謹逐項駁復並將職對於此案管見爲鈞座縷晰陳之原呈第一項謂海關陸續添設各種標識並增設巡江司至四員之多置洋員十八人間有非航船出身者充之均給巨額薪俸並置輪船十一艘帆船十餘艘下級員役數百人等語查巡江司所設標識之多寡悉以水道之情形及航務之狀況爲標準在昔航商較少水道如故自無須多設標識嗣後航商日增水道變遷而中外各船主及引水人往往親至巡江司辦事處探詢水道情形請求增設標識經該巡江司履勘後果係絕對需要始行酌量增設決非漫無標準虛糜公款可比惟標識既增事務益繁所需人員及應用船隻亦不得不酌予添設但原呈所稱增加人員及船隻數目則殊非事實蓋巡江司從未至四員之多所有洋員亦從未有十八人之多海關歷年刊印之職員錄可資考證茲將歷年巡江司辦事處所有人員及歷年添置船隻分別列表如下

長江下段人員數目表

	前清光緒二十六年	前清宣統二年	民國九年	十九年	二十年
子 草籍內理辦事員	無	無	二	三	三
草籍始信號入員	無	無	無	五八	五八
共計	無	無	三四	六三	六四

長江中段及下段人員數目表

	甲、洋員	乙、第 內班 人員	丙、第 水管理 人員	丁、修 理廠 人員	戊、小 輪船 員役
前清光緒二十六年	領有證書之 專門技術員 普通船員	江務幫辦 製圖員 製圖生 聽差水手等 材料管理員	水道監查員 水道舢板水手 木匠巡役	雜務員 木匠役	
前清宣統二年	無	無	無	無	一五
民國九年	一	無	無	無	三一
十九年	三五	二	二八	無	四七
二十年	一五附註甲 一六附註乙	三三 六六 一一 一三	六七 二六 一〇	一一 四一	一二五 一二七



以上兩表所載歷年船隻數目亦有案卷可稽綜觀以上各表即知原呈所稱各種數目之不確至謂支給各洋員

巨額薪俸一語尤屬謬誤蓋薪俸之厚薄應以職務之輕重爲衡即以巡江司洋員與外國商船職員或外國軍艦

人員兩相比較其責任之重大服務之艱苦有過之無不及而巡江司洋員之薪俸尙不及外國商船軍艦人員之

巨況巡江洋員均具有專門技術對於長江水道情形尤有精深之研究豐富之經驗當規定該員等薪俸之時尙

係按照中國情形僅給予相當數目實不得謂爲優厚原呈對於海關設置之標識一則曰對於航輪多無必要再

則曰三十年來之成績又無足取各等語查海關對於長江標識既係按照水道之情形及船主或引水人之請求

而設置其數目之多寡悉合乎當時之需要故無論中外船隻凡在長江行駛者均得保持安全若民國元年以前

長江下游曾同時有輪船八艘擱淺於一處且類此之事數見不鮮現在已無此等危險是標識之成績固屬顯而

易見有時引水人自謂其熟悉水道不遵標識之指示以致發生危險此由於引水人之愚而自用所致然此更足證明此項標識之確有實益也茲將所設長江標識列表如下

(甲) 長江上游標識數目表

標識	水	橋	標	船	位
識	識				
實	實		識	號	
(水	(岸				
內)	上	識	船	板	台
前清光緒二十六年					
一	無	二	一	無	一
三	無	二	一	無	四
宣統二年					
民國九年					
一	無	一	無	一	二
三	無	〇	一	無	一
民國十九年					
一	三	七	一	二	三
四	二	七	四	四	七

(乙) 長江中游標識數目表

測	信	竹	浮	標	燈	椿
量	號	(竹	浮	識		
江		浮	不			
流		在	內)	船	船	
舢		浮				
板	台	浮				
前清光緒二十六年						
無	無	無	無	無	無	無
宣統二年						
七	無	二	六	無	無	一
民國九年						
九	無	二	九	無	三	二
民國十九年						
一	二	三	一	〇	二	三
二	二	一	〇	二	八	〇
民國二十年						
一	二	三	六	一	〇	二
二	二	三	六	一	〇	二

西  
一  
長江下游標識數目表

前清光緒二十六年	宣統二年	民國九年	十九年	二十年
竹	二九	四八	九三	九七
浮	一一	二六	四五	四三
標	無	無	二二	三三
船	無	無	七二	七三
船	無	無	七二	七三
浮	無	無	七二	七三
不在內	無	無	七二	七三
浮	無	無	七二	七三

以上各表所列標識數目皆係巡江司按照需要情形隨時設置者故自標識逐漸增加以來而長江之航務商務亦隨之逐漸增加試以輪船吃水限度證之長江中游輪船吃水限度在民國十二年以前最低五英尺最高九英尺現在最低限度增至六英尺半最高限度增至二十二英尺而吃水十八英尺之輪船已能航至沙市自民國十二年以後江輪於大水期內能由上海直達宜昌其下游輪船吃水之限度亦逐漸增高各輪每次載貨重量當淺水時期及平常時期已由一百八十噸增至一千五百噸所有現在吃水限度圖表均載在歷年海關海務報告書內此項報告書均按年呈送

鈞署備案並轉送交通部備查均可一一覆按又查長江上游民國三年祇有輪船十艘全年共駛行一百次至民國十九年輪船增至六十五艘全年航行次數增至一千一百四十九次此實由於自民國十年以來上段巡江司極力設施俾低水時期亦能航行有以致此是以長江商務蒸蒸日上而關稅收入亦日有起色茲將長江輪船噸數及歷年稅收比較列表如下



長江輪船噸數及歷年稅收比較表

年 份	輪 船 噸 數	貨 物 平 價 銀 值	關 稅 平 銀 收
清 光 緒 二 十 六 年	三 一 五 八 三 三 七 噸	一 九 〇 六 二 二 一 三 八 兩	五 九 一 三 二 四 七 兩
民 國 十 九 年	五 一 七 三 八 六 七 一 噸	五 六 一 〇 〇 一 八 〇 四 兩	一 五 六 二 一 七 一 〇 兩
計 增 加	二 〇 一 五 六 三 三 一 噸	三 七 〇 三 九 九 六 六 六 兩	九 七 〇 八 四 六 三 兩

右表所列各項再按長江各日分晰列表以明之

日 岸	年 份	輪 船 噸 數	貨 物 平 價 銀 值	關 稅 平 銀 收
重 慶	光 緒 二 十 六 年	八 五 五 二 四 噸	二 四 四 五 三 〇 五 八 兩	三 七 六 九 〇 〇 兩
萬 縣	光 緒 二 十 六 年	三 六 六 五 一 七 噸	八 六 五 五 二 五 四 二 兩	一 二 四 一 九 三 三 兩
宜 昌	光 緒 二 十 六 年	無	無	無
沙 市	光 緒 二 十 六 年	七 四 二 五 一 二 噸	二 〇 〇 〇 四 六 三 二 兩	二 八 三 九 七 五 兩
長 沙	光 緒 二 十 六 年	六 二 五 三 二 〇 噸	二 三 一 四 三 六 一 七 兩	六 〇 〇 三 七 七 兩
岳 州	光 緒 二 十 六 年	一 四 一 八 六 一 四 噸	一 三 九 〇 〇 一 八 三 兩	二 四 一 五 一 七 兩
漢 口	光 緒 二 十 六 年	四 五 三 八 一 八 噸	五 五 一 〇 八 九 兩	六 六 二 一 兩
	光 緒 二 十 六 年	一 四 六 五 三 二 六 噸	二 一 四 八 六 七 三 八 兩	三 六 九 七 三 一 兩
	光 緒 二 十 六 年	無	無	無
	光 緒 二 十 六 年	一 〇 〇 九 〇 〇 七 噸	三 五 五 三 六 八 七 〇 兩	七 四 七 七 八 三 兩
	光 緒 二 十 六 年	三 二 〇 九 二 〇 噸	一 四 三 八 二 七 兩	七 九 〇 兩
	光 緒 二 十 六 年	一 九 一 〇 九 九 二 噸	一 九 〇 六 六 九 九 〇 兩	五 九 四 一 四 七 兩
	光 緒 二 十 六 年	四 三 六 九 二 二 八 噸	七 八 四 九 〇 四 二 二 兩	二 一 五 七 六 〇 兩
	光 緒 二 十 六 年	八 〇 六 三 〇 一 六 噸	二 〇 〇 四 八 四 一 〇 四 兩	七 四 九 六 五 四 九 兩

口岸	年份	輪船噸數	貨物價值 關平銀	稅 關平銀
九江	光緒二十六年	六、八一七、〇二四噸	一六、三七七、一七八兩	八八〇、一八一兩
無湖	民國十九年	八、八〇六、四〇〇噸	五四、九六六、三三〇兩	一、一二一、三六三兩
南京	光緒二十六年	七、四七四、六四三噸	一八、一三一、九八六兩	八九一、一二六兩
鎮江	民國十九年	一〇、〇六六、三三一噸	四九、三七一、四〇五兩	一、一一八、七二七兩
	光緒二十六年	二、三一四、三二五噸	三、八八五、二六二兩	一四七、四五〇兩
	民國十九年	八、九三七、八四四噸	三二、四五一、四七六兩	六九四、五四一兩
	光緒二十六年	九、一二一、五六八噸	二五、四二五、六九九兩	八九一、〇四二兩
	民國十九年	八、九五二、一一七噸	二七、一七九、五三四兩	一、七一一、四四四兩

綜觀以上事實足見海關所設之長江標識有裨於航務商務者至深且巨不惟有裨於航務商務且有裨於海關之稅收與國家之財政若非巡江司實事求是忠勤厥職何克臻此似此種種事實彰彰在人耳目決非浮誇粉飾者可比且海關支用各款均係核實用一分款項必有一分利益乃交通部竟謂議者指海關設置標識對於輪航多無必要徒為擴張事權管理航政並藉以開支噸鈔誠屬可信等語不知議者果係何人其人果何所據而為此議交通部又何所據而認此議為可信以巡江司如此之成績而竟蒙如此之詬辱此誠可為扼腕寒心者也原呈又謂海關仍征民船船鈔內港並無設置標識即已設置者亦不適實用觀於航行長江之軍艦商船無不僱用引水人顯見標識不能正確等語此種攻擊尤屬無稽當民國元年以前長江民船常停泊以自測水道自海關設立

標識後各民船即按海關所標示之水道行駛至長江內港除不在海關管轄範圍之內者自無從設立標識外凡屬海關管轄之內港則無處不設有標識乃交通部並不根據事實竟謂長江民船祇有納鈔之義務而不享受標識之利益殊不可解至征收民船船鈔一節自民國十四年海軍部設立海岸巡防處所有海關管轄之常關所征船鈔均呈由

鈞署解交海岸巡防處以充經費及上年常關裁撤後海關對於在國內行駛之民船即不征收船鈔此皆有案可稽者若以商船軍艦無不僱用引水即認為標識不正確之證據更非通論蓋標識與引水原係截然兩事不得併為一談全球無論何國無論何種海港河流凡能航行者莫不立有標識亦莫不有當地引水人誠以各地水道其水流之緩急船隻之疎密以及帶領船隻之方法各地均有特殊情形航行標識之本身不能將此種特殊情形悉以示之船主及駕駛員非賴熟悉本地水道之人作為嚮導不可而一船船主負全船安全之責無論標識如何正確亦未有不僱用引水以昭慎重者試觀紐約倫敦橫濱等處係世界最著之海港其航行標識之設備自必盡善盡美但任何輪船駛入各該港口亦必僱用引水由此觀之則以僱用引水為航行標識不正確之證者其謬執甚原呈又謂現測繪全江水道由測量局之測繪該江流量水平分段由交通部揚子江水道整理委員會為之均與巡江司無與等語查民國二十一年以前所有長江全部及其支流測繪事務完全由巡江司辦理直至本年春間

自吳淞至江陰連成洲一段始交由測量局辦理但該段標識事宜仍由巡江司設置茲將巡江司測繪長江之成績列表如下

巡江司歷年測繪長江里數表

年 份	測 繪 里 數 (連 成 洲 以 上)
宣統元年	二七五英里
民國九年	二四八英里
民國十年	五三八六九英里
民國十一年	五六九三英里

觀於右表即可知巡江司歷年之成績矣方今長江水道變遷甚速測繪事務尤宜積極進行不容暫緩故巡江司辦理測繪事宜從未間斷民國二十年間海關所用專門技術洋員計共二十二人其中尙有三人在假連同製圖員六人並重測長江水道一百四十一次其直線達五百三十八英里以貢獻於航行界誠屬不可蔑視之事實而是年海道測量局所用測繪人員多於海關所用者奚止數倍及考其全年製就之圖供民衆之用者僅有十三幅供政府之用者僅有十六幅其中九幅尙係得之於滄浦局與海關所測量者其水道淺深之測量且有三次係得之于滄浦局一次得之于海關而巡江司之測繪精詳製品迅速航行界立能實用甯非難能而可貴至海關紀錄水量水誌及吃水限度製成圖表逐年刊行其有裨於航商者尤非淺鮮若揚子江水道整理委員會祇能搜集材

料爲將來治河之計畫現在則無裨於航商綜觀以上各事實交通部所謂由測量局長江水道委員會爲之與巡江司無與者竟均由巡江司分別爲之不惟分別爲之且成績均載在歷年所刊行之海務報告書內不難逐一細檢乃交通部反謂巡江一事徒有專司之設對於航行實際絕無裨益殊難索解原呈又謂五口通商條約並無沿江設立標識及由海關管理之條文一節查長江航行標識本係中國政府委任海關辦理者原與通商條約無涉不得以條約爲討論之根據惟海關純係中國政府所設之機關而長江航行標識又係中國政府委任辦理之事務是直以中國之官吏執行中國之政務於中國主權並無損失原呈所謂事權旁落之語不知作何解釋此對於原呈第一項應行駁復者也原呈第二項謂現在既有揚子江水道委員會及航政司海關巡江司應行裁併一節關於長江航行標識究應由何項機關辦理非職所致擅議但極應注意者航行標識與航業商務有直接之關係亦即與海關稅收有重要之關係若此項標識不由足以勝任之機關辦理則航業商務立見危害而關稅亦蒙其影響海關巡江司所有人員既受有專門教育復具有確實經驗而已往之成績又爲中外航商所稱讚若遽將長江標識交由未受訓練之人員辦理實非計之得者縱不爲航商方面計其如關稅之前途何職近年以來正從華人中揀選專門技術人才加以訓練以期數年之後逐漸以華員辦理巡江司事務庶中外職員交替之時對於航行標識之效用不致稍有間斷職蓋以付託非人盡棄前功爲懼故作此未雨之綢繆乃交通部不察巡江司所司

何事功效如何竟指爲贅疣機關應行裁併不知巡江司何負於國家乃作此痛詆之語此對於原呈第二項應行駁復者也原呈第三項謂近來標識應行改良及設置內江標識各節查長江現有標識其有裨於民船之航行前已觀總陳明伏思長江具有特殊情形全球河流並無完全相同者凡最新改良標識方法合於長江之用而又能節省經費者業經博採旁搜折衷規定並次第見諸實行民國十九年里斯本舉行國際燈塔浮標統一會議會蒙鈞署派海務巡工司及總工程司爲中國代表參加會議所有議案凡可實行者均已呈准施行該會議不久又將舉行該代表等已將提案預行擬議並經職署呈請

核奪轉送國聯在案竊以爲海關對於標識事項以有限之經費謀實際之利益其應行改良之處殆已熟思審慮推闡盡致於此而復欲討論恐不能於前項議案之外別籌善策現在中外航商及船員等對於中國航行標識莫不交口稱讚謂中國標識設備可與世界標識最良之國家相頡頏此語不惟職熟聞之航行界亦公認之而交通部乃謂巡江司敷衍塞責誠堪駭怪此對於原呈第三項應行駁復者也原呈第四項謂該江引水人不隸海關管轄對於海關設置不相聞問各自爲謀難望良好成績等語竊以爲此種議論適足爲交通部不明長江情形之表示查長江引水事務分爲三段自吳淞至漢口爲第一段自漢口至宜昌爲第二段自宜昌至重慶爲第三段第一段有引水公會三處一爲西人所組織一爲日人所組織一爲華人所組織華人引水公會祇有引水人十名第二

段並無引水機關航行船隻自由僱用引水不拘國籍第三段約有華籍引水一百五十名純由海關管轄按照引水章程辦理是長江引水人不盡係中華民籍而隸於中華民籍者實多數直轄於巡江司何得謂不隸海關管轄何得謂對於海關設置不相聞問況長江原有標識多因引水人或船主之要求而設而外國船主又時至巡江事務所查詢最近標識及水道情形足見長江引水人無論中外莫不與巡江司息息相關而其所有成績前已列舉事實一再聲敘乃交通部謂爲各自爲謀難望有良好成績抑何不察之甚耶此對於原呈第四項應行駁復者也原呈又謂海關職在課稅巡江司雖爲中國官吏而隸屬海關之下原非主管機關一節伏思國家設官分職固屬各有專司然在特別情勢之下爲便利公務實事求是起見將一部分事務擇一素所信任而能勝任愉快之機關專司其事各國亦不乏成例若拘於普通法規而謂某項事務應屬於某一機關遽令其貿然執行以致叢脞貽譏實非通達政體者所宜出此海關雖職在課稅然航行標識與關稅有密切關係若航行標識辦理失當關稅即難期暢旺當航行標識創辦之始並無其他機關堪膺是任是以責成海關任此艱鉅嗣後以海關自創辦以來卓著成效亦未嘗輕議更張致滋阻越卽以現在而論是否有相當機關確有辦理此事之能力實屬疑問職非敢意存蔑視惟鑒於他項事務由海關而移轉於他項機關者其成績如何已爲中外所共知故對於此項標識管理之移轉實不能不令人懷疑也且航行標識及測繪內港水道等事務既與關稅有重大關係即可爲海關一部分事務

故由海關管理在理論上亦不謂爲非是所尤當注意者所有海關職員以及巡江司所有人員均係中國政府之官吏且無不效忠政府盡瘁職守若徒執系統之說以相繩則長江標識必無今日之成績可以斷言此對於原呈第五項應行駁復者也原呈第六項謂測繪內江水道操諸外人軍事秘密難保不無洩漏一節又屬令人駭異伏思海關洋員既係服務中國對於中國政府有忠實之義務此爲各該員所深知而能切實遵守者溯中國有海關以來對外戰事不知凡幾而服務海關之洋員祇有報效中國政府之事蹟從未聞以何項軍事秘密洩漏於敵人者凡關於軍事機關之命令無不嚴密遵守而巡江司對於軍事當局有所要求時亦無不立即照辦足徵辦理標識之外人於軍事時期毫無窒礙且海關爲政府機關所有洋員均政府官吏向來對於政府命令無不奉行惟謹今謂戒嚴時所頒條例無不咸海關洋員遵守之法權實非合乎事理之論惟有一事爲職所不欲直言而又不得不言者現在中國任聽外國軍艦自由行駛中國內江及其支流故外國海軍官員得悉中國各河流之軍事秘密者實爲巡江司所不及知今不此之慮而反以巡江司洩漏軍事秘密爲口實未免輕重倒置此對於原呈第六項應行駁復者也總之交通部原呈所陳各節既非根諸事實又無正當理由而職署對於原呈駁復之理由均有事實可資證明伏思海關爲

財政部及



鈞署直轄之機關所有海關一切事務均係奉

令辦理今交通部即欲接管長江航行標識儘可咨商

財政部及

鈞署酌核辦理如認為海關實係辦理不善加以掊擊亦應詳查事實以資佐證方足以寒被掊擊者之口而取信於政府乃竟撫拾風影之詞任意指摘似非高級行政機關所宜為現海關及巡江事務所各職員對於交通部此次無故痛詆無不認為奇恥亟思有以自明應請

鈞署轉請交通部將原呈對於海關指摘各點一一以事實證明如果確有實據即請政府將所有巡江司各職員分別懲辦並將職嚴行議處以彰法紀倘無事實證明應請交通部予以解釋俾曉然所以獲咎之由詳釋交通部原呈對於船鈔一項不憚再三言之抑知航行標識一事在稅收機關係分利而非生利者故海關經費因辦理此項標識以致額外增加如此項支出不列入海關預算之內則海關所支之經費在預算內自必低減况噸鈔收入皆有特定用途可以共見非如原呈所云可以藉端開支者耶職對於此事所鄭重聲明者並非齟齬於權限之爭議蓋鑒於海關稅收取給於長江各口者既屬甚多長江各口之收入倚賴於航行設施者又為重要而辦理此項標識之巡江司確係成效昭著故為中國財政計為長江航業商務計仍應責成該巡江司廣續辦理以收駕輕就

熟之效職忝膺重寄惟知據理以直陳不敢遠嫌以誤國所有呈復各緣由是否有當理合備文呈請鈞署察核施行謹呈

財政部關務署長張

財政部關務署密令政字第八四三一號中華民國二十一年十一月二十二日

令總稅務司梅樂和

爲密令事奉

部長發下

行政院密令內開案奉

國民政府訓令內開爲令遵事准 中央政治會議函開案准大函以據參謀本部呈稱交通部請將長江航路標

識移歸該部管理一案業經交通海軍財政各部與本部會商查水上設置標識之關係平時與戰時適成反比例

平時謀航路安全標識須求周密戰時則須防標識爲敵所用對於水道且謀多設險阻必要時且須停止水陸交

通故平時設置標識戰時如何便於撤除移動變更識別必須依軍事學識預爲計劃海關現時所設標識專顧平

時此次上海之役海關亦未商之軍事機關移轉管轄危險甚大法令既規定爲交通部主管現值收回航權之時

自應正本清源移歸主管部辦理請轉中央政治會議審核等情轉請核奪等因當以海關代管航政事項曾經民國十八年八月本會議第一九〇次會議議決之航政根本方針案第二條規定向由海關代管航政各部分暫行仍舊惟須同時受主管部之指揮監督其關於海關代管海政部分已歸海軍部指揮者不在此內茲既據交通部呈請移歸管轄且經行政院飭由交通海軍財政各部會商分別呈報自應徵詢行政院意見再行核奪經函准行政院復稱交通部依據職掌請以長江航路標識歸該部管理固屬持之有故海軍及參謀本部注意國防贊同交通部之主張亦復言之成理惟財政部所據海關總稅務司列舉歷年成績尙非故事鋪張現值國家多事籌款緊急之時惟海關爲完整統一之機關若遽將此水上標識事項一部分之管理予以變更或致因此發生分裂而影響及於稅收尤不能不預爲顧慮海關代管航政部分既經中央政治會議議決暫行仍舊有案似可仍予維持原案照舊辦理等由經併案提出本月二十六日本會議第三二九次會議討論後議決航行標識之管轄仍依本會議第一九〇次會議議決之航政根本方針第二條之規定暫仍其舊其關於軍事上應有之設計由參謀本部海軍部與財政部商定令海關遵辦相應錄案函請政府查照辦理等由准此除分行外合行鈔發附件令仰該院分別轉飭遵照辦理此令等因奉此自應遵辦除分令海軍部外合行抄發原附件令仰該部遵照辦理等因奉此合行令仰該總稅務司遵照此令

## CIRCULAR No. 4537 (SECOND SERIES).

**Legal cases against Customs administrative action in enforcing Government's regulations and rules: Customs not under jurisdiction of a local court, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 10th December 1932.

SIR,

Recently a case has occurred in which a Commissioner of Customs was summoned by a local court to answer for his official action in confiscating smuggled goods and levying fines on junks which had violated Customs rules. As the Commissioner is a Chinese Government official and acted upon the Chinese Government's orders, he has been instructed to refuse to obey the summons from the local court.

In this connexion I circulate, for your information and guidance, copy of Kuan-wu Shu despatch No. 8049, from which you will see that the Ministry of Justice have ruled that a legal suit against the Customs Administration can be taken in, and dealt with, only by the Administrative Law Court of the Central Government; in other words, the Customs Administration does not come under the jurisdiction of any local court in legal cases arising out of Customs official action in enforcing Government's regulations and rules. Commissioners, however, should refrain from reading too much into this judgment of the Ministry of Justice. It covers Customs employees only in their official capacity and when they are acting with the full authority and under the instructions of the Government.

I am, etc.,

A. C. E. BRAUD,  
*For Inspector General.*

## ENCLOSURE.

財政部關務署訓令政字第八〇四九號中華民國二十一年九月二十四日

令總稅務司梅樂和

爲令行事案據該總稅務司署第三三四五號三三五八號兩次來呈以美商卡爾薩此所有吉字二號游船前與海關巡艇碰撞受傷案訴訟情形請核示等情當經由部咨請司法行政部查核見復在案茲准司法行政部咨開查人民不服行政官署之行政處分而提起行政訴訟者應歸行政法院受理若係提起民事訴訟則不問被告爲國家機關或私人概應歸普通法院受理此案美商因游船與海關巡艇碰撞依私法之規定請求賠償損害屬於民事訴訟之範圍應由普通法院管轄前已經司法院明白解釋在案此類案件法院依法受理亦無須經政府承認之規定及先例准咨前由相應咨復卽希查照轉行等因准此合亟令仰該總稅務司知照此令

## CIRCULAR No. 4541 (SECOND SERIES).

**Smuggling: regulations for guidance of officers in charge of Customs craft engaged in preventive work: change in signal for attracting attention of vessels, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 22nd December 1932.

SIR,

With reference to Circular No. 4139:\*

Enclosing a set of regulations, approved by the Ministry of Finance, for the guidance of officers in charge of revenue launches or cruisers when engaged in preventive work:

and with special reference to Rule I (a) and (b) of those regulations:

Specifying, in connexion with the stopping of a steamer or a junk at sea for purposes of search, that the signal to call the attention of the steamer or the junk, either during daytime or at night, is to be three short and one long blasts of the whistle:

I now circulate, for your information and guidance, copies of my despatch No. 3682 to the Kuan-wu Shu and despatch No. 6060 from the Ministry of Finance, from which you will see that as the signal of three short and one long blasts of the whistle, adopted for use by Customs vessels in order to attract the attention of steamers or junks at sea, indicates in the International Code of Signals "I want assistance; remain by me," and that as vessels, accustomed to that code, when thus signalled, are likely to misunderstand what is required of them, the Ministry have approved my recommendation that the use of this signal for the purpose specified in my previous instructions be discontinued, and that in its place the signal of one short, one long, and two short blasts of the whistle, which in the International Code conveys the message "Stop, heave to, I have something important to communicate," be substituted.

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\* *Antea*, vol. iv, p. 313.

You are requested to act accordingly. The change is to be made known to the public by means of a notification posted at all Custom Houses and Customs stations and barriers on the coast, and elsewhere if necessary. Copies of the notification should also be supplied to Junk Guilds and other interested bodies.

In all other respects the instructions of Circular No. 4139 remain unchanged.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE.

總稅務司呈 關務署文第三六八二號 中華民國二十一年十二月六日

呈爲呈請事案查關於海關巡輪在本國領海內檢查華洋船隻應守規程一案曾於民國十九年十一月間呈奉

財政部關字第三三二八一號令核准公佈施行在案茲查該項規程第一章第一節甲乙兩項內規定海關巡輪欲令輪船或民船在海上停駛聽候檢查時無論在日間夜間均係放短聲汽笛三次長聲汽笛一次惟此項信號按照國際船舶信號通例係向他船求助請其勿行遠離之意設遇明瞭國際船舶信號通例之船隻驟聞關輪發出此項信號難免不發生誤會茲爲海關巡輪所用之信號與國際船舶信號通例互相符合起見擬將海關巡輪令船隻停駛候驗所發之信號改爲先鳴短聲汽笛一次長聲汽笛一次再鳴短聲汽笛二次此項信號按照國際船舶信號通例即係令他船停駛有要事通知之意照此辦理庶華洋船隻聆悉之下即曉然係關輪欲令其停駛候驗不致誤解實於緝私及航行雙方均屬便利擬請鈞署准將前經核定之海關巡輪在本國領海內檢查華洋船隻應守規程第一章第一節甲乙兩項所載條文按照現擬辦法修改並請

轉咨外交部通知各國政府查照是否有當理合備文呈請

鑒核示遵謹呈

財政部關務署長沈

財政部指令關字第六〇六〇號 中華民國二十一年十二月十三日

令總稅務司梅樂和

呈一件擬將海關巡輪檢查華洋船隻應守規程所定汽笛信號略予修改請核准並咨外交部查照由

關務署案呈該總稅務司所請將該規程內規定汽笛信號略予修改一節該項信號既有修改必要應准如擬改訂仰即將該規程應改條文修正後繕具全部規程二份呈候轉咨外交部可也此令



## SEMI-OFFICIAL CIRCULAR No. 91.

**Customs Reference Library: Customs archives up to 31st December 1901 to be sent to, for safe custody; I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 5th January 1933.

SIR,

The origin, purpose and organisation of the recently established Customs Reference Library have been dealt with in a Circular of the regular series (*vide* Circular No. 4251),\* and I wish now to supplement that Circular by certain specific instructions applicable especially to Commissioners in charge of ports having archives dating prior to the year 1901.

One of the objects of the Library is to create a safe depository for the more valuable of the Customs archives which for historic and other reasons are deserving of preservation. A special room has been set aside in the Library building for this purpose, and I have now to instruct—

- (1) That all Commissioners at ports opened prior to 1901, *i.e.*, at Shanghai, Ningpo, Foochow, Amoy, Canton, Chefoo, Chinkiang, Swatow, Kiungchow, Nanking, Tientsin, Hankow, Kiukiang, Ichang, Wuhu, Wenchow, Pakhoi, Lungchow, Mengtsz, Chungking, Shasi, Soochow, Hangchow, Szemao, Samshui, Wuchow, and Tengyueh, are to send at once, securely packed and insured, to the address of—

The Librarian,  
Customs Reference Library,  
1714 Sinza Road,  
Shanghai

- (a) All the original despatches, memoranda, letters, etc., received from the Inspectorate, with the relevant registers, up to the date 31st December 1901;
- (b) All the office copies of despatches, etc., to the Inspectorate, and to ports, up to the same date;

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\* *Antea*, vol. iv, p. 507.

- (c) The originals of all despatches, letters, etc., up to the same date from Chinese officials and Consuls or other Government officials, as well as letters from merchants and members of the public which have a historic value; and
- (2) That the Commissioner at every port, no matter whether opened prior to or after 1901, is to send as quickly as possible to the same address a copy of the catalogue of the books in his official library.

Correspondence detailed under (1) (a) to (c) if in bound volumes should be sent forward exactly as it stands.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

CIRCULAR No. 4566 (SECOND SERIES).

**Complaints made to the Kuan-wu Shu by merchants and public bodies against the Customs Administration and Staff: Shu's comments on, and instructions *in re*, notifying; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 13th February 1933.

SIR,

I circulate, for your information and guidance, copy of Kuan-wu Shu despatch No. 8940, from which you will see that the Shu have received recently a number of petitions from merchants and public bodies voicing complaints against the Customs. In these petitions it is claimed that Customs procedure and practice in connexion with application to pass cargo, levy of duty, examination of cargo, and prevention of smuggling are altogether too complex and strict, that Customs officials abuse their powers by arbitrary treatment of merchants and passengers, and that the Customs discriminate between Chinese and foreigners in their dealings with the public. The Shu admit that misunderstandings are inevitable

as Customs procedure, being complicated, is never fully understood by outsiders, but state that the Customs staff, while true to their primary duty of protecting revenue interests, should at the same time aim at making the passing of cargo as simple as possible, should be fair and just in their treatment of Chinese and foreign merchants alike, and should make every endeavour to facilitate trade so as to increase the revenue. The Shu hold that these points should always be carefully borne in mind by the Staff, Chinese and foreign, so as to maintain the reputation of the Service, and that, in spite of the fact that many of the complaints in these petitions may be due to misunderstanding, it is the duty of the Customs to reform and improve their administration where necessary. The Shu further direct that instructions are to be issued enjoining upon Commissioners the importance of seeing that their staff observe strictly all regulations and carry out their duties efficiently, and that whenever merchants are found to be suffering any genuine hardship as a result of existing procedure, suggestions as to desirable reforms are to be submitted for their consideration.

In my reply to the Shu I have emphasised the primary importance of protecting the revenue and submitted that, to achieve this end, stringent regulations must be enforced, which inevitably result in complaints and agitation for greater leniency from merchants—especially dishonest merchants. I have pointed out that it ought not to be assumed, therefore, that when such complaints are voiced, the complainant is necessarily in the right and the Customs necessarily wrong, and have added that investigations will be made and, if necessary, suggestions *re* modification of Customs procedure submitted for the approval of the Shu.

I have therefore to request you, while bearing in mind the paramount importance of safeguarding the revenue, to satisfy yourself that existing practice at your port is not causing any undue or unnecessary hindrance to *bona fide* trade, that standing regulations are being strictly adhered to, and that a proper standard of efficiency is maintained by your staff in the execution of their duties. You are also to submit, whenever you consider them called for, proposals for the modification of any Customs regulations, procedure, or practice which you find unsuitable or for any reason undesirable.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

財政部關務署訓令政字第八九四〇號中華民國二十二年二月二日

令總稅務司梅樂和

爲令遵事近來各地商人及社會團體對於各海關或其他所屬員司時有呈訴到署或謂海關辦理報關徵稅驗貨緝私各事手續繁苛使商民難於遵從或謂關員濫用職權致商旅橫遭蹂躪至謂華洋歧視待遇不均等語查海關行政經緯萬端外界不明真相種種誤會在所難免惟各關人員之職責固爲顧全稅收然對於貨物稽徵之手續宜求簡便中外商人之待遇宜示公平蓋必先便利商業而後開發稅源內外班員司尤宜注意操守以維關譽該商等原呈所陳各節縱或出諸誤會但整頓改良爲海關應盡之責任合行令仰該總稅務司通飭各關稅務司對於內外員司務使恪守規章整飭風紀並隨時考察勿任疎懈至原有規章對於商民如實有未便之處應行改良者該總稅務司亦應隨時分別臚舉呈候核改此令

## CIRCULAR No. 4574 (SECOND SERIES).

Mr. A. H. F. Edwardes: notification issued by Chinese Delegation to League of Nations *in re*, circulating.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 2nd March 1933.

SIR,

In continuation of Circular No. 4551:

Circulating copy of a despatch from the Ministry of Finance notifying that as Mr. A. H. F. Edwardes has accepted the post of Adviser to the so-called "Manchukuo Government," all honours conferred upon him by the Chinese Government have been cancelled:

I append hereto, for your information, copy of Kuan-wu Shu despatch No. 9108, from which you will observe that the Shu have received from the Chinese Delegation to the League of Nations a copy of their Notification No. 10, which reads as follows:—

"With reference to the statement of the Japanese delegate to the League, Mr. Matsuoka, that Mr. Edwardes has accepted an advisership to the so-called Manchukuo, the press is hereby notified that Mr. Edwardes never held the post of Inspector General of the Chinese Maritime Customs Service but only that of Officiating Inspector General to which he was appointed following the dismissal of Sir F. Aglen, and that upon his resignation in 1928, the Chinese Government in view of his 25 years' service and his high rank granted him a full pension, the benefits of which he is still enjoying. His action therefore in accepting the post of adviser to the so-called Manchukuo is not only manifestly one of base ingratitude which has aroused the deep resentment of his former comrades in the Chinese Customs Service and cast a slur upon the hitherto high reputation and loyalty of the Service as a whole but is also in glaring contrast to the behaviour of the foreign staff of the Customs until recently serving in Manchuria who, though offered bribes, subjected to the greatest possible intimidation and even imprisonment, resolutely

refused to give to the so-called Manchukuo the benefit of their services and throughout remained staunchly loyal to the Chinese Government."

I may add that the Shu consider that this act of ingratitude of Mr. Edwardes in voluntarily joining rebels against the authority of the Chinese Government is "despicable"; and I am instructed to circulate the above notification to all Customs establishments.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

財政部關務署令政字第九一〇八號 中華民國二十二年二月二十三日

令總稅務司梅樂和

爲令行事據上年十二月十日我國出席國際聯盟會代表團在日內瓦所發第十號佈告內載「中國海關稅務司李度將於日內離日內瓦回華對各報發表宣言如次據日本出席國際聯盟會代表松岡在該會聲稱易純士已被任爲偽滿洲國顧問等語查該易純士從未被任爲中國海關總稅務司不過於安格聯解職後曾經代理總稅務司之職務嗣於一九二八年辭職中國政府仍給以全額之養老金中國政府任用該易純士至二十五年之久擢升高位迄今該易純士仍在享用其養老金迺該易純士竟就偽滿洲國顧問之職是不啻以其忘恩負義之行爲昭示公衆因此深爲中國海關同僚所怨恨蓋此舉實足使中國海關全體向有之高尙聲譽及義氣爲之摧殘也該易純士之行爲以視彼前在滿洲服務之外籍關員雖遇賄賂恐嚇甚至幽囚而仍毅然拒絕不爲偽滿洲國所利用始終盡忠於中國政府者不啻有霄壤之別」等語查該易純士不顧恩義甘心附逆實堪痛恨應將前項宣言通告關員週知合行令仰該總稅務司遵照此令

## CIRCULAR No. 4582 (SECOND SERIES).

**Seizure rewards: introduction of revised distribution and scale of; institution of preventive allowances for Chief Tidesurveyors and Tidesurveyors; abolition of "auctioneers' fees" and introduction of "seizure fees"; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 13th March 1933.

SIR,

1.—With reference to previous Circulars:

Regarding the issue of seizure rewards and informants' fees:  
to Circular No. 4164 (No. 621):

Upholding the general principle that heads of departments are not to participate in seizure rewards; but intimating that as it may occasionally happen that Tidesurveyors, Inspectors of Examiners, and Appraisers in charge of Appraising Staff, or officers holding such acting appointments, are the actual means of effecting seizures or detecting frauds, Commissioners may, in exceptional circumstances, submit cases they consider merit special recognition to the Inspector General with recommendations:

to Circular No. 4455 (No. 663):

Ruling that when extra duties are thrown upon the staff by the custody and disposal of seizures made by preventive vessels, an "auctioneers' fee" of 10 per cent of the proceeds of the auction is to be deducted and divided among the staff concerned:

to Circular No. 4456:\*

Instructing, *inter alia*, (1) that when fine or confiscation follows as a result of seizures made on information, the informant is to receive four-tenths and the seizing officer two-tenths of the amount realised either by fine or by sale of the goods confiscated, and (2) that when fine or confiscation follows as a result of seizures made

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\* *Antea*, vol. v, p. 48.



without information, the seizing officer is to receive three-tenths of the amount realised either by fine or by the sale of the goods confiscated:

and to Circular No. 4581:

Instructing that in cases where a double penalty is inflicted, seizure rewards and informants' fees are issuable on account of both the fine and the proceeds of sale of the confiscated goods:

Scales of  
seizure  
rewards and  
informants'  
fees.

I have now to inform you that in pursuance of my policy to secure that the incidence and amount of seizure rewards shall, as far as is possible, be governed by the degree of services rendered, ingenuity displayed, and/or risk incurred by the seizing officer, and in order to avoid the issue of disproportionately large sums in ordinary and straightforward cases of seizure, I have obtained the Kuan-wu Shu's sanction to the following modified rules for the issue of informants' fees and seizure rewards, which are to become effective provisionally from date of receipt of this Circular:—

- (1) When fine and/or confiscation follows as a result of a seizure made on information, the informant is to receive four-tenths and the seizing officer one-tenth of the amount realised by the fine and/or sale of the goods confiscated, except in cases in which special ingenuity has been displayed or bodily risk has been incurred by the seizing officer, when the seizure reward may be increased to two-tenths at the discretion of the Commissioner;
- (2) When fine and/or confiscation follows as a result of a seizure made without information, the seizing officer is to receive two-tenths of the amount realised by the fine and/or the sale of the goods confiscated, except in cases in which special ingenuity has been displayed or bodily risk has been incurred by the seizing officer, when the seizure reward may be increased to three-tenths at the discretion of the Commissioner.

You will note that the issue of the maximum seizure rewards is left to your discretion and that personal attention to each case will, therefore, be necessary, and in this connexion I would make it clear that it is neither my desire nor my intention to cause discouragement by a general decrease in the amount of seizure rewards issuable for cases in which the services rendered by seizing officers are of a deserving nature; so that a fairly wide interpretation of the terms

“special ingenuity” and “bodily risk” is permissible. On the other hand, many seizures are effected as a result of specific information, or during the course of search or examination work, which do not call for any special services on the part of the seizing officer, or again it frequently happens that the issue of rewards on account of both the fine and the sale of goods confiscated in double penalty cases leads to unreasonably large sums being paid to seizing officers; and it is to prevent rewards issuable in such cases from being out of all proportion to the work and the responsibility involved that the modifications now notified have been introduced. Circular No. 379 drew attention to the fact that search and seizure do not constitute extra work, but are both constituent parts of ordinary work for which salaries are issued, and that the payment of a proportion of the proceeds from fines or confiscations is to reward the seizing officer, not for extra duty, but for work well done in a special direction; and while it is not intended to make any radical change now in the present-day practice of issuing a reward in cases of ordinary seizures, irrespective of circumstances, the facts that salaries are paid for executing the work which brings about the seizure and that the issue of rewards is not necessarily automatic must not be overlooked and need to be emphasised. The ruling that the issue or non-issue of rewards is left to the discretion of Commissioners has been availed of but rarely for the purpose of withholding rewards, but the existence of the rule is to be borne in mind, and when occasion demands it, there should be no hesitation in disallowing issue. The question of seizure rewards generally is beset with difficulties, and it is only by the utmost care and prudence on the part of those responsible for their distribution and issue that fairness will result and uniformity be attained. You are requested, therefore, to give the matter your individual attention and to see that the scales are properly applied. A close check on the amounts of rewards issued will be kept at the Inspectorate, and in order that a distinction may be made between the two scales, the figures indicating the portion paid to the seizing officer in column 10 of the Fines and Confiscation Report, [C.—107] and [C.—107a], are to be marked with an asterisk in all cases in which rewards are issued at maximum rates.

It is recognised that in some cases the fees issued to informants appear to be excessive, but it has to be remembered that until the preventive service is fully developed, reliable information about smugglers and their methods is of the utmost importance, and unless likely informants are assured that the fees payable will compensate them sufficiently for the risk involved in imparting information, they

will be reluctant to come forward; for this reason I have considered it inadvisable at the present time to advocate any change in the existing rate.

Issue of preventive allowances in lieu of seizure rewards to Chief Tidesurveyors and Tidesurveyors.

2.—Chief Tidesurveyors and Tidesurveyors are called upon to play a leading part in all local preventive work, and the question of according recognition of their added responsibilities in this direction has engaged my particular attention: Circular No. 4164 (No. 621) provided that special recommendations might be made for Tidesurveyors to receive seizure rewards in exceptional circumstances, but, apart from the fact that such recommendations have rarely been submitted—owing in many cases to disinclination on the part of the officers themselves to participate in rewards under existing conditions,—their normal duties in the capacity of chief preventive officers are such as to render inevitable their active assistance in seizure work, sometimes of a hazardous nature, and it is a matter of the greatest difficulty, therefore, to define the “exceptional circumstances” which qualify them for the receipt of rewards. Moreover, Chief Tidesurveyors and Tidesurveyors are frequently required to express opinions and offer advice in regard to both the disposal of seizures and the distribution of rewards, and it is naturally desirable that on such occasions they should be freed from any possible charge of bias on the grounds that they are personally interested. I have decided, therefore, that these officers, whether of substantive or acting rank, shall be debarred under all circumstances from participating in seizure rewards, but that in lieu thereof the posts of Chief Tidesurveyor and/or Tidesurveyor at the various ports shall carry with them preventive allowances graded according to the importance and nature of the preventive activities which incumbents of the posts are called upon to perform. The grading of the ports with their corresponding allowances are as follows:—

Grade I:

Preventive allowance, \$50 per month: Shanghai and Kowloon.

Grade II:

Preventive allowance, \$40 per month: Chinwangtao, Tientsin, Chefoo, Kiaochow, Hankow, Foochow, Wenchow, Amoy, Swatow, Canton, Kongmoon, Lappa, Kiungchow, and Pakhoi.

Grade III:

Preventive allowance, \$25 per month: all other ports at which Chief Tidesurveyors and/or Tidesurveyors, either of substantive or acting rank, are stationed.

The allowances are to be issued from 1st April 1933 and are to be made a charge on Account S: Sch. 1, 3.

The duties of Inspectors of Examiners, Chief Appraisers, and Appraisers in charge of Appraising Staff, and officers holding such acting appointments, being in regard to seizure work in general of an inactive nature, there is no occasion to modify the existing ruling governing their participation in rewards, and the instructions of Circular No. 4164 (No. 621) that under exceptional circumstances recommendations may be submitted for rewards to be issued to them are to continue to apply.

3.—The guarding and disposal of a seized vessel or the guarding, sorting, tallying, examination, classification, valuation, and disposal of seized cargo are duties of the staff for which rewards are not normally issuable. In certain cases, however, such work is of an onerous or special nature, or is additional to the ordinary work of the Custom House or station concerned, and when performed by members of the staff not directly connected with the actual seizure, there are justifiable grounds for either allowing them to participate to a limited extent in any rewards issuable or in lieu thereof to receive a proportionate fee. The question was first raised in connexion with seizures effected and handed over by preventive vessels, and a ruling was given in Circular No. 4455 (No. 663) that an "auctioneers' fee" of 10 per cent of the proceeds of the auction is to be deducted and divided among the staff upon whom extra duties are thrown by the custody and/or disposal of the seizure, and this ruling was later extended in the case of certain ports to embrace seizures made on land frontiers by preventive guards and disposed of by other branches of the staff. The fee being paid in addition to seizure rewards, the officers responsible for the seizure have suffered no diminution of the amounts normally issuable to them, but certain difficulties and anomalies have been created by the ruling, and apart from the fact that the fixed fee of 10 per cent of the proceeds of auction errs on the generous side in a great many cases, no provision is made for the payment of a similar fee in respect of seizures made by the Executive Staff, which are handed over to those not directly concerned with the seizure for examination, appraisalment, and valuation, in the execution of which additional or onerous work is entailed. Under the circumstances, therefore, the instructions regarding the issue of "auctioneers' fee" are rescinded as from 1st April 1933, and in future you are to be guided by the following rule:—

Participation in seizure rewards by members of the staff who are not present at actual seizure, but are called upon for extra duties in connexion with the custody and/or disposal of the seized vessel and/or cargo.

The guarding and disposal of a seized vessel or the guarding, sorting, tallying, examination, classification, valuation, and disposal of seized cargo generally are part of the

ordinary duties of the various branches of the staff, for which salaries are paid, but in cases in which these duties cannot reasonably be performed by officers and members of the actual seizure party and are therefore undertaken by members of the staff not directly concerned with the seizure, and the work entailed is of an arduous nature or additional to the normal work of the Custom House or station concerned, a seizure fee up to a maximum of 5 per cent of the gross proceeds of sale of the seizure may be issued for distribution among the staff concerned at the discretion of the Commissioner, but the seizure fee issuable to any one individual shall in no case exceed one-half of the amount of the reward issued to a member of the seizure party of corresponding rank. The fee is to be debited to the incidental expenses of seizure.

The seizure fees are, of course, issuable only to those members of the staff who are allowed by Service rules to participate in seizure rewards, and it is particularly requested that Commissioners will see that the new rule is not abused and that the fees are issued only in cases in which they are fully warranted.

Distribution of seizure rewards to Miscellaneous Out-door Staff to be arranged locally.

4.—The fact that a lack of uniformity exists in the methods of distribution of seizure rewards to the Miscellaneous Out-door Staff has not been overlooked, but in view of the variations in both the ranks and the numbers of the staff entitled to participate in seizure rewards at the different ports, it is considered impracticable to formulate rules which would operate evenly and fairly throughout. The matter is one for local arrangement, and Commissioners who are of the opinion that the systems in force at their ports are in need of amendment are requested to report the facts and submit their recommendations so that the necessary adjustments may be made.

5.—Except when modified by this Circular, previous instructions regarding informants' fees and seizure rewards remain unchanged. At the same time I wish it to be understood that it may be necessary to introduce further modifications at a later date in the light of experience gained.

6.—A copy of this Circular is to be placed in your Out-door Staff Order Book.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## CIRCULAR No. 4583 (SECOND SERIES).

**Standard dollar: introduction of; abolition of Haikwan tael;  
alterations in Revenue and Service Accounts;  
I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,

SHANGHAI,  $\frac{13th\ March}{8th\ April}$  1933.

SIR,

1.—With reference to Circular No. 4 of 1864:

Instructing that all moneys, both revenue and Service, received or disbursed were to be entered in Haikwan taels:

to Circular No. 1701:

Notifying the introduction of a uniform dollar currency, and instructing that all Customs receipts and payments, both revenue and Service, were to be recorded both in the currency of receipt or payment and in the new dollar currency:

to Circulars Nos. 2108 and 2143:\*

Quoting the terms of the agreement, ratified on 21st/30th January 1912 by the Chinese Government and the Diplomatic Body, by which the Customs were entrusted with the task of arranging for the collecting of the revenue at the ports and for its remittance to Shanghai for the service of the foreign obligations secured on it:

to Circulars Nos. 2550 and 2587:†

Giving instructions that when dollars were tendered in payment of duty, the Customs on accepting them by count were—on the principle of fine silver content of the currencies enunciated in Article XXXIII of the British Treaty of Tientsin—entitled to claim (1) that they should be clean dollars, each weighing 72 candareens of a K'up'ing tael and containing 90 per cent of pure silver, and (2) that the rate for such clean dollars should be \$155.63 = *Hk.Tls.* 100:

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\* *Antea*, vol. iii, pp. 146–154 and 166–168 respectively.

† *Antea*, vol. iii, pp. 320–340 and 356–371 respectively.

to Circular No. 4025:\*

Notifying the introduction of a Customs gold unit as the basis for the collection of all import duties and the discontinuance of the Haikwan tael for the calculation of such duties:

to my circular telegram of 4th March:

Informing you, in connexion with the proposed introduction of the new standard dollar, that beginning with 10th March the Government had fixed the rate of conversion between Shanghai taels and the new standard dollars, or equivalent national dollars already in circulation, at *Standard Dollars* 100 = *Sh.Tls.* 71.50:

and to my circular telegram of 9th March:

Conveying the Government's instructions that from 10th March the Haikwan tael is abolished, that in its place the new standard dollar is to be used, and that, therefore, on and after that date all export and interport duties, surtaxes, and dues hitherto collected in Haikwan taels are to be collected, and values of all native goods for statistical and all other purposes to be stated, in standard dollars:

I have now to circulate, for your information and guidance, copy of Ts'ai-chêng Pu despatch No. 5664 and Kuan-wu Shu telegram of 7th March 1933, which constitute the authority for the instructions issued.

2.—This new standard dollar, according to data supplied by the Ministry of Finance, has a weight of 26.6971 grammes, of which 88 per cent are pure silver and 12 per cent copper. The new coin contains, therefore, 23.493448 grammes of pure silver, and as the Shanghai tael equals 33.599 grammes of pure silver, it follows that in pure silver content the standard dollar is 0.6992305 of a Shanghai tael. A minting charge of 2.25 per cent of this latter figure, that is 0.0157327, has to be added in order to establish the officially fixed rate of conversion between the Shanghai tael and the new standard dollar, namely, *Sh.Tls.* 0.715 = *Standard* \$1. As the rate of equivalence between Haikwan taels and Shanghai taels has long been accepted as *Sh.Tls.* 111.40 = *Hk.Tls.* 100, it is obvious that on the basis of the officially fixed rate the relationship between the now discarded Haikwan tael and the new standard dollar is *Hk.Tls.* 100 = *Standard* \$155.80.

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\* *Antea*, vol. iv, p. 261.

3.—From 10th March, therefore, all export and interport duties and all surtaxes and dues, hitherto assessable in Haikwan taels, are to be assessed in standard dollars at the rate of *Hk.Tls.* 100 = *Standard* \$155.80, and the values of all native goods are to be stated, both for duty-collecting and statistical purposes, in terms of these dollars. New tariffs for both export and interport duties are under preparation, but until they have been published you are to convert the Haikwan tael rates for these duties at 155.80, carrying these rates in all cases to two places of decimals, but raising the second decimal by one if the third decimal is five or more. It is clear that the placing of these Export and Interport Tariff rates on the basis of a minted coin, and not as hitherto on the basis of a recognised weight of pure silver, and the ordering that this minted coin shall be legal tender in the payment of all such duties constitute a clean break away from the previously accepted principle, based on treaty stipulations, that in accepting duty payments the Customs authorities were bound to insist on the receipt of such and such a weight of pure silver either in sycee or in its equivalent in silver coin. Until the new standard dollars, however, are in general circulation, national dollars and other silver dollars circulating locally at par with national dollars may be accepted in lieu of standard dollars, while other currencies are to be accepted only at market rates. Should local currency conditions either now or at any future time be such as to render impracticable the carrying out of the above instructions, you are to refer the matter at once to the Inspectorate.

4.—To avoid complications and possible inaccuracies in the Revenue Accounts, you are to submit two separate Revenue Accounts—[B.—6] and [B.—8]—for March. The first in Haikwan taels is to be closed on 9th March and is to show in a footnote the Haikwan tael balances on that date converted into standard dollars at 155.80. The second is to record in standard dollars the revenue collection and disposal for the period 10th to 31st March. Revenue remittances in silver to Shanghai are, if possible, to be effected in dollars, but if that is not possible, they should be in Shanghai taels, which you will treat as equivalent to so and so many standard dollars at the officially fixed rate of *Sh.Tls.* 71.5 = *Standard* \$100. The remittance procedure for import duty gold units collected in gold remains, of course, unchanged, but those ports where it has been the practice to express the silver equivalent of gold unit duties in terms of taels are in future to express such in standard dollars. All revenue charges, formerly fixed in Haikwan taels, are now to be paid, and accounted for, in standard dollars at the fixed rate of *Standard* \$155.80 = *Hk.Tls.* 100, irrespective of whatever local rates may



hitherto have been in force. From 10th March all drawbacks on goods which have paid duty on the standard dollar basis are to be issued in standard dollars. Drawbacks already issued in Haikwan taels are payable at the fixed rate of 155.80.

5.—At those ports where wharfage dues, conservancy dues, dike dues, etc., were formerly collected in Haikwan taels, the introduction of the standard dollar necessitates that the tariff rates of these dues shall now be expressed in the new currency. Dues fixed on a percentage basis of Customs duties remain, of course, unchanged; but dues previously expressed in specific Haikwan tael rates call for conversion. As local authorities are in most instances interested in the tariffs of these dues, I have called on the Commissioners at the ports concerned to consult with the local authorities and to revise the present specific rates by putting them on a standard dollar basis satisfactory to all parties.

6.—As regards Service Accounts, my circular telegram of 11th March instructed you to close these accounts, including local moneys accounts, if any, on 9th March and to reopen them on the following day in accordance with the procedure prescribed for the Revenue Accounts. Two abstract accounts will be required for March quarter, which is to be regarded as falling into two periods, one in Haikwan taels for the first period, 1st January to 9th March, and the other in standard dollars for the second period, 10th to 31st March. Separate pay sheets for the month of March are unnecessary. Salaries paid during the first nine days of March, if any, are not to be recorded on the pay sheets but on separate vouchers and are to be accounted for in the first period. Salaries paid between 10th and 31st March are to be entered on the pay sheets, but the totals are to be incorporated in the accounts for the second period. Bank certificates of balance as on 9th March are not required. Fines and Confiscation Reports and all other reports or returns involving Haikwan tael entries, which are sent to the Chinese Secretary, are for the March quarter to be closed on 9th March, and all such reports and returns for June quarter are to start as from 10th March. Beginning with the month of March, Statements of Receipts and Expenditure, [D.—28], are to be rendered in standard dollars. Amended advance copies of this statement for April, May, and June are to be forwarded as soon as possible. Further detailed instructions regarding the rendering of Service Accounts are being issued by Audit Secretary's Printed Note.

7.—The step now taken by the Government marks another move forward in the standardisation of the currency, and one which it is hoped will gradually lead to the enforcement of the Government's

currency regulations throughout the whole country. Great progress has already been made in this direction. The obsolete and fictitious currency of account—the K'up'ing tael—has long since vanished from all Government books and transactions. It was inevitable that the Haikwan tael should follow suit and that Customs accounts should be brought into line with those of other Government Departments. For some years past the Government in their accounts have relied on the dollar, not alone for their budget, but also throughout the country in all post offices, for the payment of salaries of Government and provincial officials and employees, in all Government railway offices, in payment of land, salt, tobacco, and wine taxes, in all issues of Government bonds, and as the book unit of the Treasury and of the Government banks. The minting by the Central Government's Mint at Shanghai, under expert supervision, of silver dollars of a strictly maintained weight and fineness should do much to further the Government's policy in standardising a national currency and to promote generally the country's welfare.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE.

財政部訓令錢字第五六六四號中華民國二十二年三月一日

令總稅務司

爲令遵事本部爲準備廢兩起見規定上海市面通用銀兩與銀本位幣一元或舊有一元銀幣之合原定重量成色者以規元七錢一分五釐合銀幣一元爲一定之換算率自本年三月十日起施行由部公布在案所有各海關一切稅收均應按照前項定率折合銀幣征收以昭劃一除呈請

行政院轉呈

國民政府備案並分行外合行令仰遵照此令

關務署電第一三一九號中華民國二十二年三月七日

梅總稅務司覽奉部令內開自本年三月十日起所有海關征收稅款向用銀兩繳納者應一律改用銀本位幣或舊有一元銀幣之合原定重量成色者繳納其向用關金繳納者仍應照舊繳納關金但須以銀本位幣或舊有一元銀幣之合原定重量成色者折合不得再用銀兩至各海關一切開支款項並須一律改用銀幣支付不得再用銀兩仰即轉令總稅務司遵照辦理並轉行各關稅務司一體遵照勿違等因除分令各海關監督外合亟電該總稅務司遵照辦理爲要署長沈陽印

## CIRCULAR No. 4584 (SECOND SERIES).

**Tonnage dues: history of levy; change of rates from *Hk.Tls.* 0.4 and *Hk.Tls.* 0.1 per ton to *Standard* \$0.65 and \$0.15 respectively; abolition of deck tonnage dues; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 14th March 1933.

SIR,

1.—With reference to various Circulars, more especially Nos. 1 and 10 of 1865; No. 2 of 1868; Nos. 16 and 25 of 1870; and Nos. 158, 203, and 457, Second Series:\*

Regarding the rate at which tonnage dues are to be charged, the rules regulating this levy, and the purposes to which the proceeds from it are to be devoted:

to Circular No. 4583:†

Notifying the abolition of the Haikwan tael and the introduction of the standard silver dollar, in which all Customs duties and dues are in future to be collected:

and to my circular telegram of 10th March 1933:

Conveying the Government's instructions that from 10th March tonnage dues are to be levied at 65 standard dollar cents per ton on all vessels over 150 register tons and at 15 standard dollar cents per ton on all vessels of 150 tons or under, and that from the same date the levy of tonnage dues on deck cargo is abolished:

I have now to append, for your guidance and information, copy of telegrams exchanged between the Director General of the Kuan-wu Shu and myself on this subject. Before proceeding, however, to issue detailed instructions arising from this interchange of telegrams, I desire to place on record a brief historical résumé on the tonnage dues levy and of the steps that have led to the present change.

2.—The levy of tonnage dues in lieu of the exorbitant measurement fees formerly levied at Canton was first provided for in a notice, dated July 1843, signed by the Governor General of the

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\* *Antea*, vol. i, pp. 49, 54, 85, 186, 202–236, 427–436.

† *Antea*, vol. v, p. 131.

Liang Kwang, the Imperial Commissioner, the Superintendent of Customs, and the Governor of Canton.\* This notice was confirmed by Article V of the General Trade Regulations, forming part of the British Supplementary Treaty of Hoomun Chai (1843),† where it is stipulated that a charge of 5 mace per register ton should be levied on all vessels entering any of the five ports, while Article XVII of the Supplementary Treaty‡ itself stipulated that the tonnage dues leviable on the small boats of under 150 tons plying on the Hongkong-Canton-Macao run should be 1 mace per ton every trip. These rates, as was freely recognised at the time, were in striking contrast with the former crushingly heavy ship dues and measurement fees; but even these rates, light as they were, came within a few years to be regarded in some quarters as burdensome. The American Treaty of Wang-hea (1844), in Article VI, confirmed these rates,§ but added the proviso that tonnage dues should not be levied a second time in cases where a vessel should have to go to another treaty port to complete disposal of her cargo. The French Treaty of Whampoa (1844), in Article XV,|| follows the lines of the American, but adds that a vessel may be 48 hours in port before becoming liable to tonnage dues and that a vessel should be held liable to such dues only once for each voyage from a foreign country to China.

3.—The practical enforcement of these stipulations meant that Treaty Power vessels were obliged on every voyage to China to pay these dues at any rate 48 hours after entering a treaty port, but, by virtue of the reservation made first in the American Treaty, were permitted to make that payment cover trading at several or all of the treaty ports on that same voyage. The rapid growth of the coasting trade in foreign vessels soon engendered dissatisfaction with these levies on the ground of their being burdensome, and the fact that many of the non-Treaty Power foreign vessels engaged in this coasting trade went scot-free of all tonnage dues, as they were not hampered by the presence of Consuls to see that such dues were promptly paid, did not improve matters.¶ The latter reason afforded genuine ground for discontent, as did also the complaint that nothing was provided in the way of lighthouses and aids to navigation or for

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\* Miscellaneous Series, No. 30.—“Treaties, Conventions, etc.” (2nd Edition), vol. i, p. 368.

† “Treaties, Conventions, etc.,” *op. cit.*, vol. i, p. 385.

‡ *Ibid.*, p. 397.

§ *Ibid.*, p. 679.

|| *Ibid.*, p. 778.

¶ British Parliamentary Papers (hereafter cited as B.P.P.): “Correspondence relative to the Earl of Elgin’s Special Missions to China and Japan, 1857–1859,” pp. 199, 402.

harbour improvements and facilities. This dissatisfaction was voiced by the various Chambers of Commerce and by the leading merchants at the open ports when Lord Elgin was carrying out his inquiry for the revision of the tariff. The British Chamber of Commerce at Shanghai was of opinion that the rate of tonnage dues on vessels to and from abroad was equitable on condition that aids to navigation be provided, but that tonnage dues on coasting vessels should not be levied more often than once in six months,\* while the Consul at that port maintained that, failing the provision of aids to navigation, the impost should be abolished, but that if such aids were provided, the levy at the rate of 1 mace per ton should be retained, as coasting vessels would be the ones to benefit most by such aids.† From the merchants of Hongkong and Canton arose the same cry about the lack of aids to navigation, and from there came also the same suggestion that tonnage dues on coasting vessels should not be payable more frequently than once every six months.‡

4.—The result of these representations was the inclusion of Articles XXIX and XXX§ in the British Treaty of Tientsin, fixing the rate of 1 mace per ton for vessels of 150 tons and under and at 4 mace per ton for vessels above that limit, and stipulating that the Tonnage Dues Certificate to be issued on payment of these dues should confer exemption from any further levy of such dues at any of the treaty ports for a period of four months. The American Treaty of Tientsin, Article XVI,|| confirms these rates, defines the ton as 40 cubic feet, repeats the terms of the Treaty of Wang-hea, but makes no mention of the four months' time limit for the validity of a Tonnage Dues Certificate. The tonnage dues clause in the French Treaty of Tientsin, Article XXII,¶ is a word-for-word reproduction of Article XV of the Treaty of Whampoa, even to the retention of the rate of 5 mace per ton on vessels over 150 tons, an oversight which was corrected two years later by Article X\*\* of the French Convention of Peking. Even with this correction the tonnage dues article of the French Treaty of Tientsin, having been originally drawn up to suit the conditions prevailing in the early forties, was manifestly unsuited to the conditions of the sixties.

\* B.P.P.: "Correspondence relative to the Earl of Elgin's Special Missions to China and Japan, 1857-1859," p. 63; also "Further Papers relating to the Rebellion in China" (1863), p. 186.

† B.P.P.: "Correspondence relative to the Earl of Elgin's Special Missions to China and Japan, 1857-1859," p. 113.

‡ *Ibid.*, pp. 71, 209.

§ "Treaties, Conventions, etc.," *op. cit.*, vol. i, p. 413.

|| *Ibid.*, p. 270.

¶ *Ibid.*, p. 826.

\*\* *Ibid.*, p. 890.

The French Consul at Shanghai claimed that the clause "tout navire français ne devant en être passible qu'une seule fois à chacun de ses voyages d'un pays étranger en China" meant that the Chinese Customs could not demand tonnage dues more than once from a French vessel, no matter how many years she might continue to trade from port to port along the coast of China. To this interpretation the Tsungli Yamên objected, pointing out that the right of engaging in the coastwise conveyance of native goods from one treaty port to another had not been granted by treaty and that, therefore, the tonnage dues article in the French Treaty could refer only to the direct carriage of goods between foreign countries and China. The French Minister in his reply, after pointing out that the fixing of the four months' time limit allowed by the British Treaty of Tientsin implied coasting trade,\* suggested that the discussion was academic, as there were then no French vessels engaged in the coasting trade, and declared that if in the future any such vessels should engage in this trade, he would be ready to discuss the subject and agree upon an arrangement for the periodic payment of tonnage dues.† The matter, however, did not rest here. Notes continued to be exchanged between Prince Kung, the head of the Tsungli Yamên, and the French representative at Peking, which culminated in a note from the French Chargé d'Affaires to the Prince, under date of 20th August 1863, in which he communicates the decision of his Government to renounce the privilege, accorded by the treaty, of exemption from tonnage dues of Chinese junks chartered by French merchants, and to accept the ruling that French vessels engaged in the coasting trade are subject to the payment of tonnage dues once every four months. In return for these concessions the French Government demanded that vessels under the French flag should be allowed to ply between Chinese treaty ports and the ports under French control in Cochin-China, as well as the ports of Japan, under the same conditions as regards payment of tonnage dues as vessels plying between Chinese treaty ports and Hongkong. The Prince in his reply, dated 1st September 1865, accepted these terms, thereby not only bringing French vessels for tonnage dues levy into line with those of other Treaty Powers, but also reconfirming the coastwise trading privilege of foreign vessels.‡

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\* B.P.P.: "Correspondence relative to the Earl of Elgin's Special Missions to China and Japan, 1857-1859," p. 63; also "Further Papers relating to the Rebellion in China" (1863), p. 183.

† I.G. Cir. No. 7 of 1863, *antea*, vol. i, pp. 20-22.

‡ I.G. Cir. No. 10 of 1865, *antea*, vol. i, pp. 54, 55; *vide* also Note sur les Modifications, apportées à l'Article XXII du Traité de 1858, "Treaties Conventions, etc.," *op. cit.*, vol. i, pp. 891, 892.

5.—By the late sixties Customs practice regarding the levy of tonnage dues, and the classes of vessels liable to such levy, had so far crystallised that the Inspector General was able towards the close of 1870 to issue for Customs guidance a set of Tonnage Dues Regulations complete to that date.\* As time progressed, changes naturally took place in these regulations, the most notable being that called for by Article 2 of the Supplementary Convention between Germany and China (1880), by virtue of which and of the “most favoured nation” clause it became permissible for any vessel having already paid tonnage dues in China to visit not only all other open ports in China, but also any other port in the world, without being again obliged to pay tonnage dues within the given period of four months.† The revised set of Tonnage Dues Regulations issued in December 1882 brought the rules governing Customs practice regarding the levy of tonnage dues up to date and, in conformity with the privilege gained by the German Supplementary Convention, makes no reference to the limitation of range imposed on coasting vessels previous to the signing of that Convention.‡ These 1882 regulations supplemented by various I.G. rulings, on cases where the levy of tonnage dues was open to query, have remained the guiding light on the levy of tonnage dues on foreign-going, coasting, and I.W.S.N. steamers down to this day.

6.—In the early days of the Service the question of the purposes to which the tonnage dues collection should be devoted aroused, as we have seen, considerable discussion in mercantile and shipping circles. Foreign merchants in those days were more loudly insistent on their rights, fancied or real, than they are to-day, and had no hesitation in claiming that tonnage dues should be devoted solely to harbour improvements and aids to navigation, and were bitter in their complaints that so little, as they thought, was being undertaken in this respect by the Chinese Government. The fullest and most convincing of replies to these claims and complaints will be found in Sir Robert Hart's two memoranda, the one on coast lights and the other on the application of the tonnage dues collected on foreign shipping, the former dating from January 1867 and the latter from March 1871.§ In these memoranda the Inspector General had no difficulty in proving that these complaints were unfounded, that the tonnage dues rates stipulated for in the early treaties were made very light expressly because China at that time was doing nothing to

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\* I.G. Cir. No. 16 of 1870, *antea*, vol. i, pp. 186–196.

† I.G. Cir. Nos. 158 and 457.

‡ I.G. Cir. No. 203, *antea*, vol. i, pp. 427–436.

§ I.G. Cir. No. 25 of 1870, *antea*, vol. i, pp. 202–236.



improve coast navigation, that the Tientsin Treaties did not bind the Chinese Government to do more than they, of themselves, should consider necessary, and that the charge of breach of faith was therefore untenable. He then proceeded to show what China had done, was doing, and intended to do in the provision of harbour improvements and aids to navigation, making clear at the same time that in reality the Government had very limited means at their disposal for the carrying out of works which involved heavy expenditure for their erection and maintenance. The suppressing of the Taiping Rebellion had so drained the Government's resources that it was not until 1864 that they were able to set aside one-tenth of the tonnage dues collection to be used for harbour improvements.\* That quota could not be increased on account of the Government's obligations to Great Britain, France, and the United States for various indemnities; but as soon as these had been paid off, they immediately increased the quota from one-tenth to seven-tenths.† It was the Government's granting of these seven-tenths of the tonnage dues collection that enabled the Inspector General to undertake "the organisation of a Marine Department with a view to the more efficient carrying out of various plans calculated to improve the approaches to the ports and facilitate navigation along the Chinese seaboard."‡ Ever since then the vast amount of work undertaken and executed by this Department has been financed from the tonnage dues collection, although changes have from time to time been made in the proportion of the total collection placed at the Inspector General's disposal for this purpose.§

7.—The signing in 1928 and 1930 of the treaties regulating tariff relations between China and various foreign states at last annulled and rendered inoperative all clauses in the treaties hitherto concluded and in force regarding tonnage dues and the rates leviable. Six out of these 13 treaties, namely, those with the United States of America, Norway, the Netherlands, Sweden, France, and Japan, distinctly specify tonnage dues as being left entirely in China's jurisdiction, while the remaining seven, by stating that "in the matter of Customs and all related matters" China and the other contracting party "are on a footing of perfect equality," have by inference accorded China like freedom of action. This right to freedom of action in the

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\* I.G. Cir. No. 1 of 1865, *antea*, vol. i, p. 49.

† I.G. Cir. No. 2 of 1868, *antea*, vol. i, p. 85.

‡ I.G. Cir. No. 10 of 1868, *antea*, vol. i, pp. 86-95.

§ For details of these changes, *vide* "China's Customs Revenue since the Revolution of 1911" (3rd Edition), 1935; pp. 34, 35. For accounts of the work of the Marine Department, *vide postea*, vol. vi, pp. 637-660, and T. R. Banister, "The Coastwise Lights of China," Shanghai, 1932.

matter of tonnage dues China exercised recently when she decided, mainly as a preventive and safety measure, to levy tonnage dues on deck cargo carried by steamers engaged in the coastwise trade of China.\* The enforcement of this decision from 1st July 1931 roused a considerable amount of opposition from shipping firms and guilds, partly on the ground of delay and inconvenience caused to shipping in the measuring of such cargo and partly because the additional dues payable for this deck cargo were regarded as laying an extra and unwarrantable burden on shipping. This led, in the case of Shanghai, to the exempting of deck cargo when less than 10 tons were carried, and to the general exemption of live stock, perishable goods, and dangerous cargo when carried on deck.† The Customs, too, experienced considerable inconvenience in measuring deck cargo, more particularly on the small inland waters vessels, and found at some ports that the cost of the extra work involved was much greater than the dues collected. In these circumstances a review was called for last year not only of the deck cargo tonnage levy, but also of the tonnage dues question as a whole. That investigation revealed wide diversity of opinion on the rates that should be levied on the different categories of vessels—ocean-going, coasting, etc.,—but disclosed unanimity of opinion on two points: first, that the rates prevailing should be increased if they were inadequate to cover the cost of China's aids to navigation, and, second, that deck tonnage dues should be abolished.

8.—The time, however, was not then opportune for a general increase in tonnage dues or for any experimenting with a revised scale graduated according to the frequency of use made by the different categories of vessels of China's harbour facilities and aids to navigation. That revision, probably on a gold basis, is still a matter for the future, but it was felt that advantage should be taken of the opportunity afforded by the abolition of the Haikwan tael (in which tonnage dues formerly were leviable) and the introduction of the standard silver dollar‡ in order to effect a few slight changes. Accordingly, as my telegram of 10th March informed you, the Government decided that from that date tonnage dues are to be levied at 65 standard dollar cents per ton on all vessels over 150 register tons, formerly liable to *Hk.Tls.* 0.4 per ton, and at 15 standard dollar cents per ton on all vessels of 150 tons or under, formerly liable to *Hk.Tls.* 0.1 per ton, and that the levy of tonnage dues on deck cargo\* is abolished from the same date. It is obvious that, on the basis of the fixed rate of *Hk.Tls.* 1 = *Standard* \$1.558, the rate of \$0.65

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\* I.G. Cir. No. 4237.

† I.G. Cir. No. 4583, *antea*, vol. v, p. 131.

‡ I.G. Cir. No. 4315.

exceeds by a little over  $1\frac{1}{2}$  dollar cents the former levy of *Hk.Tls.* 0.4, and that the rate of \$0.15 is less by about half a cent than the former levy of *Hk.Tls.* 0.1. The increase of the former rate will probably rouse opposition, and if such should be the case at your port, you are to point out (1) that the Government by the various 'Tariff Autonomy treaties have the right to alter the tonnage dues rate; (2) that the proceeds from the former rates have for some years past been quite inadequate to cover the expenditure on China's lights and aids to navigation, and that the small extra income derivable from the increased rate on the larger vessels will not be sufficient to make good the deficiency in our Account M; (3) that these rates have remained unchanged for a period of 75 years, while the purchasing power of silver expressed in sterling or any gold currency has during this period steadily declined—in 1858, for instance, *Hk.Tls.* 0.4 was equivalent to 1 shilling and 8 pence, while 65 dollar cents to-day is less than 9 pence; and (4) that this decreased purchasing power of our tonnage dues revenue affects adversely the interests of China's lights, as much of the apparatus and equipment have to be purchased abroad and, therefore, paid for in foreign currencies. The cost, too, of first-class apparatus such as is used in China's lights is to-day much higher than ever before.

9.—As deck tonnage dues are now abolished, the instructions of Circulars Nos. 4237 and 3415 are hereby cancelled. This, however, is not to be interpreted as meaning that the practice of allowing cargo to be carried on deck is to be absolutely uncontrolled. All officers to whom the duty of clearing vessels is entrusted are to be instructed (1) to see to it that the permission to stow cargo on deck is not taken advantage of so that revenue interests are endangered, and (2) to point out to the Harbour Master any case where, in their opinion, the cargo stowed on deck is likely to prove a danger to life and property. If necessary, the Commissioner should draw the attention of the authorities concerned to any such cases.

10.—The Tonnage Dues Regulations at present in force will be incorporated in the forthcoming "Code of Customs Regulations and Procedure."\*

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* Miscellaneous Series, No. 44, 1st Edition, 1933; 2nd Edition, revised and enlarged, 1935; 3rd Edition, revised and enlarged, 1937.

ENCLOSURE.

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*Copy of Telegram sent to Director General of Kuan-wu Shu,  
Nanking, dated 9th March 1933.*

Your Chinese telegram of 7th instant: Suggest that as tonnage dues must also be collected in standard dollars present opportunity be taken to express them in round figures at following rates: Instead of *Hk.Tls.* 0.4 per ton suggest 65 standard dollar cents per ton on all vessels over 150 register tons and instead of *Hk.Tls.* 0.1 per ton suggest 15 cents per ton on all vessels of 150 tons or under. This will mean slight increase in tonnage dues receipts. As deck tonnage dues have proved unremunerative and troublesome it is suggested that they be abolished. Minister of Finance is aware of these proposals. An immediate reply is requested in order that instructions may be sent to ports to-day.

MAZE.

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*Copy of Telegram from Director General of Kuan-wu Shu,  
dated Nanking, 9th March 1933.*

In reply to your telegram of to-day's date regarding collection of tonnage dues in standard dollars I approve your proposed rates and also adopt your suggestion of abolishing deck tonnage dues.

S. K. SHEN.

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## CIRCULAR No. 4595 (SECOND SERIES).

**Towage on the Yangtze: regulations for, approved by the Kuan-wu Shu and to be enforced as an experimental measure; privilege of towing junks between open ports or between open ports and ports of call now extended to vessels plying under Yangtze Regulations; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 31st March 1933.

SIR,

Circular No. 2837\* issued instructions that, while foreign-type cargo-boats might be allowed under certain regulations to be towed on the Yangtze and Siang Rivers by both Chinese and foreign steamers, the towage of junks by steamers trading under Yangtze Regulations was to remain prohibited except under special permission.

The history of towage on the Yangtze prior to this ruling was as follows. In October 1881 general permission was given for steamers to tow junks provided that such tows stopped to report, enter, and pay taxes at every place where a junk not in tow of a steamer would have to stop for the same purpose (Circular No. 159). The practice, however, lent itself to abuse, as towage by foreign steamers either made it impossible for junks to comply with this rule or tempted them to defy it, and in January 1891 Circular No. 530 laid down, *inter alia*, that towing of Chinese junks on the Yangtze was absolutely forbidden except in extraordinary circumstances and with special permission. Seven years later the introduction of the I.W.S.N. Regulations raised a new issue by making provision for the towage of native boats on the Yangtze by inland-going steamers, a privilege which was eventually confirmed by Circular No. 872 (A, No. 199). The position, therefore, at the time when Circular No. 2837 was issued, namely, July 1918, was that no steamer trading under the Yangtze Regulations was allowed to tow junks, but that the same, or any other, steamer when trading under I.W.S.N. Regulations on the Yangtze could do so provided that Customs permission was first obtained; and this practice has remained in force up to the present day.

The abolition of Likin and Native Customs stations during the first half of 1931 having done away with the necessity for discriminating in this way between the two classes of vessels, I

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\* *Antea*, vol. iii, pp. 447-459.

suggested to the Kuan-wu Shu that the privilege of towing junks between open ports or between open ports and ports of call might now be extended to steamers plying under the Yangtze Regulations. At the same time I submitted a set of regulations for towage on the Yangtze, based on recommendations made by Yangtze port Commissioners and incorporating such measures as are considered necessary for the protection of revenue interests as well as of life and property. As you will see from the appended correspondence, the Shu have now approved my suggestion and authorised the introduction of these regulations as an experimental measure.

A copy of the regulations, together with an English version, and *pro forma* of the revised Special Permit to Tow, [C.—167], which is now to be used, are also appended.\* In giving effect to Rule No. 4, care must be taken not to allow the conveyance of bonded or transhipment cargo by tows, such as junks, the hatches of which cannot be securely sealed. If there is any difficulty in determining under Rule No. 6 the number of vessels to be towed, reference may be made to the Coast Inspector, who will advise ports in matters of this sort. The remaining rules call for no particular comment.

I have therefore to request Commissioners at Shanghai, at Yangtze ports up to and including Ichang, and at Changsha to put these regulations into force forthwith and to issue a joint notification with the Superintendent accordingly.

A report on the working of the regulations is to be submitted by the above ports on the 1st November next.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* Not printed.

## SEMI-OFFICIAL CIRCULAR No. 95.

**Manchurian Customs: account of seizure of, by "Manchukuo"**  
**Authorities; Commissioners' reports, etc.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 20th April 1933.

SIR,

The story of the seizure of the Tientsin Customs by the Shansi party in 1930; and the detention of the Additional Revenue by the Canton party in 1931, was outlined in S. O Circulars Nos. 69, 72, and 88, and it is fitting for me to place on record a brief narrative of the events which culminated in the seizure of the Manchurian Custom Houses—including the establishment in Dairen—by the so-called "Manchukuo Government" (滿洲國政府), the *régime* established under the ægis of Japan. It should be considered that the political conditions obtaining in Manchuria, referred to below, differed essentially from those prevailing in Tientsin and Canton in 1930 and 1931, respectively, in that Manchuria formally seceded and declared its independence as a separate foreign state, whereas both the Tientsin and the Canton "Governments" claimed to be Chinese—not alien—institutions.

It is not desirable, however, for me to dwell at any length upon the political aspect of the case, but, nevertheless, it is appropriate to refer incidentally to the genesis of a movement which has had such far-reaching results. We are told, for example, that the cause of the vigorous attitude recently adopted by Japan in Manchuria was the destruction of a railway bridge and the murder of a Japanese military officer, but these incidents in themselves scarcely afford sufficient justification for the extensive military operations which followed! It seems clear, therefore, that other reasons existed and that a wider policy was the cause of her recent activities in the North. And in connexion with this policy, the "Manchukuo Government" was formally established on the 17th February 1932,\* and the latter through

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\* On the 18th February 1932 the Eastern Provincial Administrative Committee was organised at Moukden and a Declaration of Independence issued. The principal members of this Committee were Chang Ching-hui (張景惠), Tsang Shih-yi (臧式毅), Hsi Hsia (熙洽), Tang Yu-lin (湯玉麟), Ma Chan-shan (馬占山), Ling Sheng (凌陞), and Chi Wang (齊王). On the 25th of that month this committee cabled to foreign States the announcement of the organisation and establishment of the state of "Manchukuo."

the medium of the "North-Eastern Administrative Committee" (東北政務委員會) immediately notified the Superintendents of Customs in the Manchurian Treaty Ports that the control of all the local Customs establishments concerned would in future be vested in the Committee; that the Commissioners were to continue to execute their duties as heretofore; and that Japanese Customs' Advisers would be appointed to supervise Customs affairs. In pursuance of this policy the "Manchukuo" Authorities immobilised the Customs revenue; extraterritorialised banks (*e.g.*, the Yokohama Specie Bank and the Bank of Chosen) were obliged to depart from the recognised principles of international banking and, at the bidding of a third party, refused to permit Customs deposits to be transferred to Shanghai; and the Manchurian Customs establishments were finally seized and the Commissioners ejected therefrom by *force majeure*. I drew attention to the various complications which were likely to follow such interference with our Administration, and, with the approval of the Kuan-wu Shu, Mr. K. T. Ting,\* Chinese Secretary, proceeded to Moukden to obtain first-hand information concerning the progress of events. In company with Mr. J. Fukumoto,† the Dairen Commissioner, he visited Changchun (長春), the newly created capital of "Manchukuo," and entered into informal conversations with representatives of the new "Government." As a result of these unofficial parleys, the following telegram, dated 23rd March 1932, was sent to me outlining, in respect of the administration of the Customs, the provisions of a possible settlement which was acceptable to the "Manchukuo Government":—

"Following unsigned Chinese Memorandum addressed to  
 "you received informally at Changchun from Minister of  
 "Foreign Affairs and Vice-Minister of Finance of 'Manchukuo.'  
 "Memorandum begins:

"Whereas 'Manchukuo' has been established she has  
 "to exercise her power of Customs autonomy and therefore  
 "Customs Administration should sever its relations with

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\* *Antea*, vol. iii, p. 635 (footnote).

† Jinzaburo Fukumoto was born on the 24th July 1882 at Wakasanoako, Japan, and joined the Customs Service on the 13th October 1905 as 4th Assistant, C. He served at Chinkiang, Soochow, Newchwang, Nanking, Shanghai, Tientsin Native Customs, Antung, and Tsingtao before being promoted Deputy Commissioner at the last-named port on the 1st April 1924. From April 1925 to July 1927 he was at the Inspectorate in Peking, and from there proceeded to Antung, where he was promoted Commissioner on the 1st April 1928. From October 1929 to the middle of April 1930 he was in charge of Foochow, and on return from long leave was appointed as Commissioner to Dairen where he remained until 25th June 1932, when his services were dispensed with. The "Manchukuo" authorities, however, retained him in the post of Commissioner of Customs at Dairen.



“ Republic of China. But as Customs revenue and  
 “ administration have really great important bearings on  
 “ foreign loans hitherto contracted by the Republic of  
 “ China ‘Manchukuo’ hopes maintain temporarily existing  
 “ Customs administrative and tariff system on following  
 “ conditions in order to avoid changes in trade and with a  
 “ view to smooth international relations. The Inspector  
 “ General is hereby notified of above and requested to give  
 “ special consideration:—

- “ 1. Customs at Newchwang, Dairen, Antung, Harbin,  
 “ Aigun, Lungchingtsun with their sub-offices and  
 “ barriers should all come under sovereignty of  
 “ ‘Manchukuo.’
- “ 2. Existing import and export (including interport)  
 “ tariffs and their collection procedure should  
 “ temporarily continue to be enforced.
- “ 3. Regarding foreign loans hitherto secured on  
 “ Customs revenue ‘Manchukuo’ has already  
 “ prepared to share payment from Customs  
 “ revenue according to reasonable and justified  
 “ arrangement but ‘Manchukuo’ will detain  
 “ surplus revenue for her use.
- “ 4. Present Chinese and foreign employees in various  
 “ Manchurian Customs should be temporarily  
 “ retained but in connection with movements of  
 “ Commissioners and other high executive officials  
 “ (Deputy Commissioners and Tidesurveyors)  
 “ ‘Manchukuo’ understanding should necessarily  
 “ be obtained in advance.

“ Memorandum ends.

“ Although at request no time limit laid down for your reply it  
 “ has been verbally intimated no undue delay in reply will be  
 “ tolerated.”

I transmitted the above message to the Authorities concerned, to whom I had previously suggested the desirability of entering into informal negotiations with the Authorities concerned on the following lines, namely:—

- (a) That the “Manchurian Government” liquidate the Manchurian Customs’ (including Dairen) *pro rata* share of the Indemnities and Loans secured on the Customs;

- (b) That the surplus revenue after the above payments have been made be retained by the "Manchurian Government"; and
- (c) That Chinese Customs administrative integrity (including the authority of the Inspectorate General) be maintained in Manchuria.

And I further advised that if the "Manchukuo" Authorities declined to consent to the liquidation of a *pro rata* share of the domestic loans, the following alternative plan would form a basis for discussion:—

- (a) The "Manchurian Government" to respect the integrity of the Chinese Customs Administration throughout Manchuria on condition that they be notified of changes in *personnel* of Commissioners, and of alterations in Customs Tariffs and regulations in Manchurian ports outside of Dairen;
- (b) The "Manchurian Government" to recognise liability for *pro rata* share of foreign Loans and Indemnities; and
- (c) In practice, foreign Loan and Indemnity payments to be effected by one or other of the following methods:—
  - (1) The Dairen revenue to represent the amount payable for foreign Loans and Indemnities, and remitted *in toto* to Shanghai for the purpose; the revenue from the other Manchurian Customs to remain at the disposal of the "Manchurian Government"; or
  - (2) The *pro rata* share of foreign Loans and Indemnities to be a first charge upon the revenue of all Manchurian Customs, including Dairen; and the surplus revenue to remain at the disposal of the "Manchurian Government."

I added that it would be in China's interest—both financially and politically—to compromise and accept an understanding whereby, on the one hand, the "Manchurian Government" would pay a share of the Indemnities and the foreign Loans, on the lines of the arrangement with Canton in 1931; and, on the other, the jurisdiction of the Customs Administration in Manchuria would be maintained—otherwise, I pointed out, the Custom Houses concerned would be seized and the Customs Service disrupted, thus creating a dangerous precedent. Other counsels prevailed, however, and my views on the subject were not endorsed.

Events in Manchuria about this time developed with considerable rapidity, and a curious situation arose in Dairen, where the Customs functioned under the terms of a separate Convention with Japan known as the Dairen Agreement (1907). Seeing that the Japanese Government enjoyed independent control of the Kwantung Leased Territory (in which Dairen is located) it was naturally assumed that interference with the Customs there by an alien authority would not be tolerated. The following occurrences, however, indicate that this assumption was fallacious, and that the "Manchukuo Government" were permitted to usurp control of the Dairen Custom House with the knowledge and consent of the Kwantung Government (關東廳). Up to the 7th June, the local revenue (which amounted to *Hk.Tls.* 12,448,000 in 1931) was remitted to Shanghai regularly at intervals of three or four days, but as no remittances were effected between 7th and 14th June, I telegraphed to Dairen to ascertain the cause of the delay. In reply, Mr. Fukumoto, the Commissioner there, stated that he hesitated to remit the revenue as such action would precipitate a crisis, adding that Mr. Kawai, Chief of Section for Foreign Affairs of the Kwantung Government, had advised him that the "Manchukuo Government's" claims to Manchurian Customs revenues were well founded! After a further exchange of telegrams, it seems that Mr. Fukumoto had actually completed arrangements to remit the revenue concerned, when Mr. Kawai (who, it should be noted, is a Japanese Government, not a "Manchukuo," official) again intervened and insisted that remittances should cease. I thereupon warned Mr. Fukumoto on the 22nd June that continued failure to execute instructions would be considered tantamount to insubordination, and he replied that if he carried out my instructions, Japanese interests would be adversely affected, and, this being so, he flatly declined to remit the revenue—*i.e.*, he followed the orders of the Kwantung or Japanese Authorities and refused to obey the legitimate orders of the Chinese Authorities: he was dismissed, therefore, for gross insubordination on the 24th June. Mr. Nakamura,\* Acting Deputy Commissioner, was appointed to take temporary charge of the Dairen Customs, and he subsequently resigned. On the 26th June, all but one of the

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\* Moto Nakamura was born on the 5th February 1887 at Yanagawa, Japan, and, after graduating as Hogakuchi (Bachelor of Laws) at the Tokyo Imperial University in 1912, and gaining the qualifying certificate for the Higher Civil Service of Japan, joined the Customs Service on the 12th June 1913 as 4th Assistant, B, on probation. He served successively at Dairen, Canton, Chefoo, Antung, Dairen again, Hunchun, Shanghai, Tsingtao, Dairen once more, Shanghai for the second time, and Dairen for the fourth time. On the 4th May 1933 his services were dispensed with.

Japanese members of the Customs Staff at Dairen (numbering 62 employees) indicated by wire that they had severed all connexion with the Chinese Maritime Customs.

In accordance with the terms of the Dairen Customs Agreement of 1907, referred to above, I nominated Mr. H. Kishimoto,\* the Chief Secretary, to be Mr. Fukumoto's successor as Commissioner at Dairen, and requested the approval of the Japanese Legation to this appointment on the 25th June. The latter, however, failed to register a definite decision on the ground that the dismissal of Mr. Fukumoto contravened Article III of the Dairen Agreement in that the Kwantung Authorities had not been previously consulted, etc. I pointed out that there had been no departure from precedent, as a reference to Articles I to III of the Agreement indicates:—

- I. The Commissioner or the Chief of the Maritime Customs office at Dairen is to be of Japanese nationality. The Inspector General of Customs will come to an understanding with the Japanese Legation at Peking in case of appointing a new Commissioner.
- II. The members of the staff of the Maritime Customs office at Dairen shall, as a rule, be of Japanese nationality; in case, however, of a suddenly occurring vacancy or of temporary requirements of the Service, members of other nationalities may be provisionally sent to Dairen.
- III. The Inspector General of Maritime Customs will inform the Governor General of the Leased Territory beforehand about the change of the Commissioner of Customs at Dairen.

It is clear that before proper effect could be given to the provisions of Article III it was necessary first to execute the terms of Article I—that is, come to an understanding with the Japanese Legation in Peking. But the Legation, nevertheless, maintained its original attitude and the “Manchukuo Government” were subsequently permitted to function in the Leased Territory and organise a Customs establishment in Dairen, mainly staffed with former Japanese employees of the Maritime Customs Service.

In addition to giving the “Manchukuo” Authorities a free hand in Dairen, they were permitted, as mentioned above, to restrict the free action of extraterritorialised banks, which were categorically forbidden by them to release Maritime Customs Revenue balances deposited therein by the Commissioners concerned

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\* *Vide* I.G. Cir. No. 4309, *antea*, vol. iv, p. 609 (footnote).

before the seizure of local Custom Houses. The moneys thus affected aggregated about *Hk.Tls.* 2,977,000, and included deposits in the Bank of China, which were similarly treated. I instructed the Newchwang and Lungchingsun Commissioners to notify the Yokohama Specie Bank and the Bank of Chosen, respectively, that their action in refusing to execute their legal obligations and remit the funds in question was unprecedented and irregular; and that I could not recognise the title of a third party to intervene and disturb established banking relations in this manner. And I also addressed the Japanese Legation and the Head Offices of the respective Banks in the same sense. I ought to add that the Yokohama Specie Bank has since released the funds concerned (*Hk.Tls.* 943,000), which they originally refused to remit to my account in Shanghai. A statement indicating the relative importance of the revenue collected at Manchurian Ports during the past ten years is appended hereto.

An epitomised description of events relating to the seizure of the other Customs establishments in Manchuria follows here:—

LUNGCHINGSUN: Mr. A. G. Wallas,\* Acting Commissioner.

During the second week of March 1932, the Superintendent of Customs notified the Commissioner that the North-Eastern Administrative Committee had appointed a Japanese Adviser to the Customs with whom all Customs questions were to be discussed. Drastic action against the Customs was, however, postponed until late in June when, on the 22nd, the Japanese Adviser ordered the Bank of Chosen—the Customs bank—not to honour cheques drawn by the Commissioner, as referred to above.

On the 29th June, a party consisting of the Superintendent, the Japanese Adviser, Mr. Miyamoto, and Major Inouye, a Japanese Army Intelligence Officer, came to the Custom House. While the Adviser and Major Inouye remained outside the premises, the Superintendent entered the Custom House, accompanied by armed

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\* Alexander Graham Wallas was born on the 8th September 1883 at London, and, after some business experience in that city, passed the competitive examination for entrance to the Customs Service, which he joined on the 15th October 1906 as 4th Assistant, C. He served at Canton, Chungking, Hunchun, Lappa, Wuhu Native Customs, and at the Inspectorate, Peking, before being transferred to the London Office, where he was stationed for two years—April 1920 to April 1922. He subsequently served at Tientsin, Shanghai (three times), Wuhu Native Customs for a second time, Canton again, Antung, and once more at Hunchun (Lungchingsun), where he was promoted Deputy Commissioner on the 1st April 1929 and where he was in charge from that month till the end of June 1932. On return from long leave he was for a few months Officiating Commissioner at Nanking, was promoted Commissioner on the 1st April 1934 in charge of Chefoo, Lungkow, and Weihaiwei, and ended his Service career as Commissioner in charge of Changsha, where he was stationed from October 1935 to October 1936, in which latter month he retired. Mr. Wallas holds the 5th Class of the Order of the Chia Ho.

guards, and demanded the surrender of the establishment. In the face of such a display of force, the Commissioner was compelled to yield, whereupon the Superintendent called in the Japanese Adviser and announced that the latter had been appointed Commissioner of Customs. The last remittance of Customs revenue from Lung-chingtsun was sent on the 22nd June 1932. On the 12th July, I sent the following despatch to the Japanese Legation:—

“ Sir,

“ I have the honour to state for your information that  
 “ Mr. A. G. Wallas, the Acting Commissioner of Customs at  
 “ Lungchingsun, reports that he and his Staff have been  
 “ ejected from the Custom House by armed men, acting  
 “ under the orders of a Japanese ‘Adviser,’ who, he states,  
 “ was accompanied by Major Inouye, the local Japanese  
 “ Intelligence Officer. The Commissioner further intimates  
 “ that Mr. Mackenzie, a Chinese Customs Officer of British  
 “ nationality, in charge of the sub-station in Hunchun, has also  
 “ been forcibly prevented from exercising control of the office  
 “ and, like Mr. Wallas, seems to be in considerable personal  
 “ danger. In view of the above facts, I have the honour to  
 “ request you to be good enough to enquire why the Japanese  
 “ Military Authorities, as represented by the Intelligence  
 “ Officer, were associated with the Adviser in active interference  
 “ with Chinese Customs’ Officers ?

“ I have, etc.,

“ F. W. MAZE,

“ *Inspector General of Customs.*”

ANTUNG: Mr. R. M. Talbot,\* Acting Commissioner.

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\* Roy Maxwell Talbot was born on the 2nd December 1881 at Shabbona, Illinois, U.S.A., and was educated at the University of Wisconsin, where he graduated A.B. in 1908. He joined the Customs Service on the 27th July that year as 4th Assistant, C, on probation. He was promoted Deputy Commissioner on the 1st October 1931, having in the meantime served at Canton, the Inspectorate at Peking, Ichang, Nanking, Shanghai (twice), Harbin, Swatow Native Customs, Canton (twice), Kongmoon, Aigun (where he was in charge from September 1926 to the end of November 1929), and at Antung. After the seizure of this latter port by the “Manchukuo” authorities in June 1932, Mr. Talbot was on special duty in Shanghai for a short time, following which he was in charge first at Changsha and subsequently at Mengtsz, where he was promoted Commissioner on the 1st April 1934. On return from long leave he served as Commissioner at Amoy from April 1937 to April 1938 before being transferred to the Inspectorate at Shanghai as Audit Secretary. Mr. Talbot holds the 3rd Class of the Order of the Chia Ho and the 1st Class Medal of Merit of the Yunnan Provincial Government. He received a special promotion in July 1925 in recognition of highly meritorious services rendered in connexion with the re-establishment of the Canton Customs after the Shameen incident of that year.

The first intimation of interference with the Customs at Antung was given privately to the Commissioner early in March by the Japanese Consul, who advised him to be prepared for a request from the Superintendent to hand over the Customs to "Manchukuo" control. The appointment of a Japanese Customs Adviser followed shortly, but this official took no active steps until the middle of June, when he transmitted definite orders from the "Manchukuo Ministry of Finance" to the Bank of China to the effect that Customs funds were no longer to be remitted to Shanghai. From this time, therefore, the collection of revenue accumulated in the Bank of China until the 16th June, when four armed "Manchukuo" Police, accompanied by the Japanese Assistant Superintendent of Police, visited the premises for the ostensible purpose of "guarding the revenue." On the 19th June the Bank of China handed over to the Three Eastern Provinces Bank Tls. 783,000, and the Commissioner was informed that this action was taken as a result of *force majeure*. A portion of the Customs revenue at Antung was formerly deposited in the Bank of Chosen, which, being a Japanese institution enjoying extraterritorial status, is not legally amenable to the jurisdiction of foreign Authorities, as already explained. Nevertheless, the Bank declined to remit Customs funds and stated that they had had instructions from their Head Office in Seoul to hand over all such moneys to the "Manchukuo Government"—the Commissioner was informed, furthermore, that the Head Office of the Bank of Chosen had referred the question to the Japanese Foreign Office and the Japanese Ministry of Finance. Having thus seized the revenue, the next step was to take possession of the Administration. On the 26th and 27th June, therefore, the Japanese Adviser demanded that the Custom House be handed over to him. The Commissioner, however, refused, and on the 28th June, the Superintendent, Adviser and ten Secretaries, etc., entered the building and demanded the keys. The Commissioner declined to comply, whereupon armed "Manchukuo" Police (Japanese subjects) then entered and repeated the demand. The Commissioner again refused to comply, and more Police (all Japanese subjects) with rifles and fixed bayonets entered the Commissioner's Office and forced him to yield. On the 30th June, 27 members of the Antung Staff (25 Japanese and 2 Koreans) resigned from the Chinese Customs Service. The Commissioner then withdrew the remaining loyal Staff to his house, which is situated in the Japanese-controlled Railway Zone, and attempted to continue to carry on the current work of the Customs there. On the same day, the Japanese Adviser Sakikawa, with armed Japanese in plain clothes, entered the Commissioner's house and demanded possession of the Customs archives, which the

Commissioner had previously brought from the Custom House for safekeeping, stating that if the Commissioner refused to hand over, he was prepared to take them by force. The Commissioner protested against the forcible entry of armed agents into his house, located in the Japanese Settlement, and asked the Adviser if he was acting with the knowledge and consent of the Japanese Consul. The Adviser replied that he was acting on instructions from Changchun and was prepared to ignore the Japanese Consul. The Commissioner refused to surrender his archives, but the Japanese drew their revolvers, and compelled compliance with their demands. In the meantime, the Commissioner sent a Customs Officer of British nationality to the Japanese Consulate, which is located next door to the Commissioner's house, with a request for assistance. The Consul was out and the Vice-Consul declined to intervene. Seeing that some 80 per cent of the Antung Customs revenue is collected in the Japanese-controlled South Manchuria Railway Zone, the Commissioner attempted to carry on the Customs work there, in the belief that the Japanese Authorities would not permit interference therein by the "Manchukuo" Police. The latter, however, entered the Zone, arrested four of the Customs Staff and intimidated the remainder, and the Commissioner was obliged to suspend work. The last remittance of revenue from Antung was sent on the 19th April 1932.

NEWCHWANG: Mr. N. R. M. Shaw,\* Acting Commissioner.

On the 26th March, the Japanese Adviser instructed the Bank of China to hand over accumulated Customs funds and future revenue to the Three Eastern Provinces Bank, and the Bank yielded to this demand under threat of *force majeure*. Half of the Customs revenue at Newchwang is lodged in the Yokohama Specie Bank, and when the Commissioner directed this Bank to remit balances to

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\* Norman Rymer Mackintosh Shaw was born on the 16th October 1878 at Tokyo, and, after graduation at Oxford in 1901, joined the Customs Service on the 1st February 1902 as 4th Assistant, C. He was first stationed at Nanking to study Chinese, after which he was at Canton for two and a half years. He resigned in January 1905, but was permitted to rejoin on the 1st April 1907. He served successively at Antung, Shanghai, and Dairen before being transferred in June 1912 to the Statistical Department at Shanghai, where he remained for seven years, with an interval of 18 months' leave. He was promoted Deputy Commissioner in April 1925, having served in the meantime at Swatow, Canton Native Customs, Kowloon, and Kiungchow. He was Acting Commissioner in charge of Kowloon from July 1925 to October 1926. On return from long leave he was Dean and Vice-President of the Customs College at Peking for six months. After brief spells of service at Dairen and Antung he was transferred to Shenyang (Moukden) as Deputy Commissioner in charge. From January to October 1932 he was Acting Commissioner at Newchwang, and after being on special duty at Shanghai for a short time was granted long leave. He retired from the Service on the 31st March 1934.



Shanghai, the Manager declined on the ground that the "Manchukuo Government" had requested him not to remit, as already mentioned. No overt action was taken against the local Administration until the 27th June, when the Custom House was seized by the Superintendent, the Japanese Adviser and armed police. The Japanese Staff resigned *en bloc* and joined the "Manchukuo" Customs, and Mr. Ehara, formerly Chinese Customs Assistant, was appointed Commissioner of Customs by the local Authorities. The Chinese Staff were forced to continue to work at the Custom House and one man who attempted to cease work was arrested and imprisoned. The last remittance of Customs revenue from Newchwang was sent on the 16th April 1932.

HARBIN: Mr. H. E. Prettejohn,\* Commissioner.

At the end of March the "Manchukuo" Authorities seized the Customs revenue in the Bank of China, Harbin, and forced the Bank to agree to hand over future collections to the Three Eastern Provinces Bank. For the next two months the Commissioner and his Staff carried on their usual functions, however, although constant pressure was exercised to force them to join the "Manchukuo" Customs. On the 26th June, at midnight, armed "Manchukuo" Police, led by a Japanese, surrounded and took possession of the building. The next morning the Commissioner attempted to enter the Custom House, but found it sealed and guarded. During the course of the day, Japanese in plain clothes (who admitted that they belonged to the Japanese Military Mission) called at the private residences of Chinese and Russian Customs employees and attempted to force them to sign documents undertaking to work for the "Manchukuo" Customs. The Japanese Adviser, accompanied by

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\* Hugh Edward Prettejohn was born on the 7th October 1879 at Exmouth in Devon and joined the Customs Service on the 15th August 1903 as 4th Assistant, C. He was stationed at Chefoo for a year, then at Shasi for two and a half years, to be followed by a year at Shanghai and a few months postal work at Moukden, when he was transferred to the Inspectorate at Peking where he remained for two and a half years. On return from long leave at the end of April 1913 he served for nine months at Canton, and for five years and nine months at Harbin. He was promoted Deputy Commissioner on the 1st April 1921 while on long leave. After a short spell as Acting Commissioner at Shasi he was located at Shanghai from April 1922 to October 1926, at first on special duty, then as Deputy Commissioner in charge of the Appraising Department, and finally as Director of that department. On return from his third long leave he was Commissioner at Hankow from October 1928 to November 1929, when he was transferred to the Inspectorate at Shanghai and appointed Staff Secretary, a post which he held till May 1931, when he was given charge of Harbin. From December 1932 to October 1933 he had charge of Chefoo, Lungkow, and Weihaiwei, and after a year's leave retired on the 30th November 1934. Mr. Prettejohn holds the 3rd Class of the Order of the Chia Ho and the Order of the Brilliant Jade with White Cravat.

police, called on Mr. E. J. Ohrnberger,\* the Acting Deputy Commissioner (Russian), and offered him the post of Commissioner, *plus* £8,500 in cash. Mr. Ohrnberger refused to be bribed, and a few days later he was arrested and imprisoned for five days. Many other Customs employees were also arrested, including Mr. E. T. Schj  th,† a Norwegian, who was the Assistant in Charge of the Harbin Customs sub-office at Manchouli. The entire Chinese Staff were intimidated and the Commissioner's house was surrounded by "Manchukuo" Police—the latter searched the premises and seized the Customs archives stored therein, and subsequently ordered the Commissioner and other Customs employees to vacate their respective residences. The last remittance of Customs revenue from Harbin was sent on the 28th March 1932.

What precedes is a brief synopsis of the manner in which the "Manchukuo Government" usurped control of the Chinese Customs in Manchuria and prevented the transfer of revenue deposits to China, and I now desire to refer to the services rendered by the Staff in situations of unusual difficulty. When it became evident in the spring that the situation was likely to develop on lines unfavourable to China I cautioned those concerned not to permit themselves to be "argued" out of their posts—that is, to avoid a repetition of the Tientsin fiasco! (*Vide* S/O Circular No. 72, page 4.) And I reminded them that in view of the censorship, it was inexpedient for me to cross every "t" and dot every "i" in my letters to the Manchurian Ports; that I was confident that the importance of showing a firm front was realised—that "having done all, we must stand"; that the aim should be to maintain as long as

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\* Edward Joseph Ohrnberger was born on the 18th December 1889 at Odessa, Russia, and, after graduating from the Oriental Institute at Vladivostock, joined the Customs Service on the 15th April 1912 as 4th Assistant, B, on probation. From that date to December 1920 he was stationed at Harbin, and returned to this port in October 1922, having spent the interim at Shanghai. He left Harbin in October 1927 to proceed on long leave, after which he spent a further two years at Shanghai, to be followed by another term of service at Harbin, which place he finally left in June 1932. From September 1932 to October 1934 he was Deputy Commissioner in charge of the Postal Parcels Office, Shanghai, and on return from long leave served at Tientsin and Ichang, at which latter port he was Acting Commissioner for one and a half years. In April 1938 he was appointed Acting Commissioner at Chinkiang, and stationed temporarily at Shanghai on account of war conditions on the Yangtze.

† Erik Theodor Schj  th, son of the late Mr. C. F. W. Schj  th, formerly Commissioner in the Chinese Customs Service, was born on the 25th August 1888 at Chinkiang and joined the Customs Service on the 3rd April 1909 as 4th Assistant, C. He served at Harbin (three times), Shanghai (twice), Nanning, the Inspectorate at Peking, Hunchun, Ningpo, Hankow, Chungking, Canton (where he was in charge of the Native Customs), Pakhoi (as Acting Commissioner), Kiukiang, and Mengtsz. He withdrew from the Service on the 30th June 1933, retiring to Oslo, Norway, where in the following year he was appointed Consul General for China, a post which he still holds.

possible the integrity of the Customs Service in the general interest of all, including Japan; that we must avoid raising major questions, and give way, where necessary, in cases of minor import; that we ought to try and localise the issue; and that if the "Manchukuo" Authorities commandeered the Manchurian revenues, they could be seized from the revenue-collecting bank and not from Commissioners of Customs, in which case we would deal with the bank and endeavour to keep the question of administrative control in the background. Acting on these general principles, the local officers in charge of the Custom Houses concerned maintained their respective positions in circumstances of much confusion, uncertainty and provocation; and by so doing they upheld in an able and resolute manner the best traditions of the Service throughout a dangerous situation. Conditions varied in different places, but in every instance the local situation was handled with resourcefulness and tact, and the fact that our various positions in Manchuria were maintained for so long a period may be attributed to the excellent services rendered by the Commissioners and their Staffs. I have represented to the Government in considerable detail the value of those services, and I have been instructed to convey to each and all the thanks and special commendation of the Ministry. (*Vide* Enclosure No. 2.) In the earlier stages of the crisis distinguished services were rendered by Mr. H. E. Prettejohn in Harbin, Mr. R. M. Talbot in Antung, and Mr. A. G. Wallas in Lungchingsun; while Mr. N. R. M. Shaw in Newchwang, and Mr. C. H. B. Joly\* in Aigun preserved their respective positions as long as possible.

In order to supplement the above account of the Manchurian imbroglio, I append hereto copies of reports submitted by the gentlemen concerned, which contain much interesting and detailed information concerning local events.

I may add that the seizure of the Manchurian Custom Houses, as already indicated, has resulted in an annual loss of about

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\* Cecil Henry Bencraft Joly was born on the 17th September 1892 at Macao, was educated at Reading School, and joined the Customs Service on the 22nd November 1912 as 4th Assistant, B. He served at Shanghai, Kiukiang, the Inspectorate at Peking, Ningpo, Mengtsz, Harbin, Amoy (where he was in charge of the Native Customs), Kongmoon, Amoy again, Hankow, and Aigun, where he was Acting Commissioner from October 1930 to October 1932. He was promoted Deputy Commissioner on the 1st October 1930. On return from long leave in the autumn of 1933 he was appointed to be in charge of the General Office at Shanghai, and subsequently to be Administrative Commissioner, a post which he held from September 1934 to the end of December 1937. He was promoted Commissioner on the 1st April 1936. On return from leave in January 1939 he was appointed Commissioner at Nanking, temporarily resident at Shanghai, and was transferred as Commissioner at Tengyueh in May of that year.

*Hk.Tls.* 25,000,000 of revenue, but the Chinese Government, nevertheless, continue to meet provisionally all the financial obligations connected with the Maritime Customs.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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ENCLOSURE No. 1.

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MARITIME CUSTOMS REVENUE COLLECTION AT  
MANCHURIAN PORTS.

The following table records in parallel columns the total revenue collected at Manchurian ports during each of the years 1922–1931, the figures for all ports (including Manchuria), and the percentage which the Manchurian collection represents towards the whole.

YEAR.	REVENUE COLLECTION AT MANCHURIAN PORTS.	REVENUE COLLECTION AT ALL PORTS.	MANCHURIAN PROPORTION OF WHOLE COLLECTION.
	<i>Hk.Tls.</i>	<i>Hk.Tls.</i>	<i>Per cent.</i>
1922.....	9,362,429	56,301,385	16.629
1923.....	9,780,702	61,102,697	16.007
1924.....	9,116,953	66,907,576	13.626
1925.....	10,937,682	67,255,963	16.263
1926.....	12,241,134	75,223,667	16.273
1927.....	12,911,357	65,986,352	19.567
1928.....	14,259,882	79,366,598	17.967
1929.....	22,223,249	149,652,828	14.850
1930.....	24,345,126	177,513,168	13.715
1931.....	25,803,199	242,723,759	10.631

It will be seen that the share of the Customs situated in Manchuria in relation to the gross receipts for all ports fluctuated from 10.631 per cent to 19.567 per cent and that the average percentage for the 10 years works out at 15.553 per cent.

## ENCLOSURE No. 2.

財政部令關字第五九〇一號 中華民國二十二年三月十六日

令總稅務司梅樂和

爲令行事關務署案呈據該總稅務司署第四〇二〇號呈以東北各關被偽國劫奪後關員撤退遣散情形暨公款關產損失數目并擬將忠於職守各關員分別嘉獎晉級以示鼓勵等情查該呈內所列遣散關員用款及公款關產損失數目應准如呈備案至忠於職守各關員臨難不苟矢志弗屈洵屬深明大義殊堪嘉尚應准一律傳令嘉獎以示鼓勵以外附逆各關員辜恩負國實堪痛恨應由該總稅務司查取職名開單呈報核辦合行令仰該總稅務司遵照辦理此令

## ENCLOSURE No. 3.

No. 649.

CUSTOM HOUSE,

I.G.

AIGUN/SHANGHAI, 14th November 1932.

SIR,

1.—With reference to I.G. telegram No. 16 of the 21st September 1932:

“Close Customs provisionally placing caretakers in charge of property. Evacuate Service-Listed employees including Ignatieff preferably to Shanghai forthwith. Issue six months’ pay to Miscellaneous Out-door Staff except men under one year’s service not retained as caretakers who are to be issued two months’ pay. Acknowledge this telegram and wire date of departure”:

to Aigun telegram No. 20 of the 24th September 1932:

“Your telegram No. 16: evacuation possible only *via* Vladivostock and am trying arrange visas for Chinese staff. If unable arrange propose issuing advance each Chinese employee with instructions proceed Shanghai when and how possible as being done for River Inspector who is unable travel through Russia. As despatch by freight through Russia impossible and as baggage charges prohibitive please instruct what archives to be brought. Please pay immediately December Quarter Office Allowance into my official account with Hongkong & Shanghai Bank, Shanghai, or if this not issuable please issue I.G. Supplementary Grant *Hk.Tls.* 10,000. Am informed Mayor/Superintendent wiring Government requesting non-closure. Shall wire date of departure as soon as possible”:

to Aigun telegram No. 21 of the 26th September 1932:

“My telegram No. 20: please instruct Hongkong & Shanghai Bank transfer immediately *Sh.Tls.* 15,000 to Bank of China, Shanghai, for credit of Bank of China, Taheiho, for credit of my official account here. Please instruct Bank of China notify Bank of China Taheiho by urgent telegram of receipt of funds. Custom House closing to-day”:

and to I.G. telegram No. 17 of the 29th September 1932:

“Your telegram No. 20: evacuation arrangements for staff unable proceed *via* Vladivostock approved. I.G. Supplementary Grant *Hk.Tls.* 10,000 paid into your official account

“ with Hongkong & Shanghai Bank. Bring current accounts  
“ code confidential archives; place remainder in safekeeping or  
“ if impossible destroy ”:

I have the honour to report that, through the courtesy of the Soviet Consul at Taheiho, I was able to obtain Soviet visas for members of the Chinese staff to accompany me to Shanghai *via* Vladivostock.

2.—It was impossible to contemplate evacuation by the overland route to Tsitsihar and thence to Harbin. The roads were almost impassable after the heavy rains and floods of the summer; we should have had to traverse the centre of active war operations; the roads were bandit-infested; and, between Nenchiang and Lahachan, the country was a “no-man’s-land” in which conditions were even more chaotic than along other sections of the overland route. As reported in my telegram No. 20, evacuation was possible, as far as our information showed, only *via* Vladivostock. We had heard that the eastern and western sections of the Chinese Eastern Railway had been destroyed in many places, and that the South Manchuria Railway had had to suspend all traffic. Evacuation to Harbin by river was impossible as no steamers plied this year between Sungari and Amur ports.

3.—Travel through Russia, off the beaten track, is an adventure in itself as one is unable to glean any information that would enable one to prepare for the journey. As instances of some of the difficulties encountered, I would mention that it was for a long time impossible to find out when the trains left Blagovestchensk; what the cost of the tickets would be; how baggage would be treated; and what one had to expect at Bochkareva, the junction on the main line to Vladivostock. Furthermore, no one would or could tell what steamers would be available at Vladivostock, and it was impossible to ascertain what hotel accommodation could be found. Nothing is definite in Russia, and it is useless to try to interview a responsible person who can give any reliable information. Each department appears to work in a water-tight compartment and it is never possible to trace a person who is in a position to make a final decision. One feels that one is in the hands of fate and that one can only wait and hope for the best. It was only through the untiring assistance of the Chinese Vice-Consul at Blagovestchensk that it was possible for the Aigun Customs staff to undertake the journey to Vladivostock, and the fact that, at the last minute, many of the arrangements made by him were reversed, was evidence of the hopeless confusion briefly explained above.

4.—After much trouble, the Vice-Consul was able to get the station master at Blagovestchensk to state that we could reserve a third class waggon for about *Roubles* 1,600, and that he would provide a small goods waggon, of five tons' capacity, for about *Roubles* 500. On receipt of this information, I changed my decision regarding baggage, which I had restricted to valuables and to indispensable articles, and authorised the staff to take a reasonable quantity of heavy baggage. I also decided to take with me all the most important archives. The reservation of a special waggon for passengers was absolutely essential as all trains in Russia are hopelessly overcrowded and it often happens that a passenger has to spend three or four days on the platform before he is able to board a train, despite the fact that "platzkarte" are sold. "Platzkarte" for the same seat are sold at each station at which the train stops so that the resulting confusion can be easily imagined. As Blagovestchensk is on a branch line and it is necessary to change trains at Bochkareva, I could not take the risk of losing some of the staff as, once separated, it may have taken weeks to find them. Moreover, the cost of reserving a third class waggon was not much in excess of paying first class passages for members of the staff and their families. There were also private servants of members of the staff who had taken them to Taheiho from China Proper. Owing to the serious food-shortage in Taheiho, to the large number of unemployed, and to the fear of the local authorities that persons without work would be a constant danger during the winter months, every one who could not show that he was in regular employment was being driven out of the town. It appeared to me impossible, for humanitarian reasons, to leave the private servants of members of the staff to be driven into the wastes of North Manchuria at the beginning of an arctic winter to face not only the dangers of privation and starvation, but also those of war and banditry.

5.—As I had to wait for the remittance of funds from Shanghai, I arranged for the staff to leave Blagovestchensk at 5.30 a.m. on the 8th October. I wanted to leave on the 7th October, but the staff would have had to cross the river the day before, which was not possible as the 6th October was a Soviet rest day. Although the station master had told the Vice-Consul that the waggons would be ready on the 7th October, nothing definite could be elicited by frequent enquiry. The Senior Out-door Staff Officer and I, therefore, crossed the river on the 5th October to complete all arrangements and to have everything ready by the 7th October, when the staff and families were due to cross the river. On arrival



at Blagovestchensk, we were told that the station master had informed the Vice-Consul that for the goods waggon a charge based on the actual weight of the baggage would be made. From particulars taken before the heavy baggage had been sent across the river, on the 3rd October, it was possible to calculate roughly that the goods waggon would cost between *Roubles* 1,000 and *Roubles* 1,100. As it was too late to change my plans, the heavy baggage having already been bonded by the Russian Customs, I exchanged *Harbin* \$7,000 @ *Roubles* 34 = *Harbin* \$100 and received *Roubles* 2,380. This sum, plus *Gold Roubles* 905, purchased in 'Taheiho and exchanged in Blagovestchensk at par for paper roubles, made a total of *Roubles* 3,285. A further sum of *Roubles* 30 was received as the G.P.U. Passport Control Officer asked me to let him have *Harbin* \$30 at *Rouble* 1 = *Harbin* \$1. I agreed as the rate was favourable, but especially as it would have been most unwise to have fallen foul of a G.P.U. representative, who wanted the Harbin dollars to purchase foodstuffs at the state shop where such are procurable for foreign money only. The gold roubles were purchased in Taheiho as it appeared unlikely that I should be able to get sufficient Harbin dollars to exchange in Blagovestchensk, and the Soviet will not accept Heilungkiang dollars. I thus had a total of *Roubles* 3,315 which, on the information received, seemed ample to cover the cost of the waggons. I had previously arranged with the Vice-Consul for him to supply me with a certain number of roubles at the Consulate exchange rate of *Rouble* 1 = *Heilungkiang* \$0.085, the Taheiho market rate. As, however, the law of the land forbids the Consul exchanging money, the money so obtained was to be termed a loan, against which there is no restriction, and was to be used only for tips, carriage hire, and other sundry expenses. Such an arrangement was essential as the Soviet is the "Mad Hatter Land" of finance and the most extravagant sums, in foreign currencies, are demanded for the most insignificant services. This cannot be avoided as the rouble is a purely fictitious currency and, under communism, there can be no normal standard of values. To attempt to meet such charges as carriage hire, tips (a most important item in Russia although nominally abolished by the Soviet), and the purchase of small sundries in roubles at the official exchange rate would entail one in the expenditure of thousands of dollars for the most absurd items. The Consul suggested my paying the cost of the waggons at his rate, but as we had been granted exceptional privileges, apart from other considerations, I considered it advisable to let the Soviet authorities see that we had exchanged our money at the official rate.

6.—On the 6th October the station master was still indefinite in his replies and nothing could be settled until he had been given a tip of *Roubles* 100. After this, we were definitely told that the waggons would be available at about noon on the 7th October. The staff crossed to Blagovestchensk on the 7th October in the morning and were taken direct to the station and placed in the third class waggon. Two trucks were hired from the Soviet Transport Trust for the conveyance of the staff and baggage to the station and charges in roubles were thus not too fantastic. Had we been compelled to hire carriages and carts, as is generally the case as the Transport Trust has only a few trucks, the transportation of staff and baggage would have cost, at the official exchange, between *Harbin* \$2,500 and *Harbin* \$3,000! A carriage from the Regatka to the station costs anything from *Roubles* 60 to *Roubles* 100, and a cart costs *Roubles* 100.

7.—The question of payment for the two waggons had been left in abeyance as the station master had stated that the necessary documents would not be ready until about 10 p.m. on the 7th October. At 11 p.m., I proceeded to the station with the Vice-Consul and the Senior Out-door Staff Officer and, on production of the bill, we found that all previous statements had been ignored and that instead of a charge of *Roubles* 2,600 to *Roubles* 2,700, we were faced with a demand for *Roubles* 4,127.10. We protested vigorously, pointed out the injustice of charging rent for the two waggons for three days when we were being charged for their full capacity, and explained that we had first been told that the goods waggon would cost *Roubles* 500 and that this had later been doubled. All arguments were useless and we were told "to take it or leave it." Knowing full well that in Russia it is better to face a difficult situation and get clear of it at once, rather than court a hundred and one unknown and worse complications, I asked the Vice-Consul to supply me with a round sum of *Roubles* 2,000 to help me over this difficulty, and to enable me to be prepared for further possible complications *en route*. As no exchange facilities exist between Blagovestchensk and Vladivostock, it appeared advisable to be thus prepared. How the roubles were disposed of is shown in the Statement of Travelling Expenses, for the Evacuation of the Aigun Customs Staff to Shanghai, which is submitted, enclosed herewith. I was very annoyed at being placed in the above position, but there was no other course to follow if we wanted to travel through Russia. A delay may have resulted in the withdrawal of permission to travel to Vladivostock. No difficulties could arise in connexion with the mode of payment as the receipts were made out in the name of the Consulate.

8.—After a most uncomfortable and unpleasant journey, throughout which we had to fight to have our goods waggon attached to our train, we arrived in Vladivostock at 4 a.m. on the 11th October, twenty hours later than the train was scheduled to arrive. We had spent twelve hours at Bochkareva waiting to be hitched on to a train. The train we were supposed to have caught could not be found, and we were in the end hitched on to the first Post Train to pass. On arrival in Vladivostock we had to sit on the platform until daylight, 7.30 a.m., when I went to the Chinese Consulate and asked that rooms be booked for us at the hotel. I also informed the Vice-Consul that we wanted to leave the next day by the weekly ship for Japan and asked him to telephone immediately and reserve the necessary accommodation. He returned soon afterwards and informed me that rooms had been procured and that reservations on the steamer had been made.

9.—Having had no sleep all night and as I felt worn out, I proceeded to the hotel, had a wash and breakfast, and at 11 a.m., in company with Mr. Crossland and a representative from the Consulate, went to the Shipping Company to pay for the tickets. To my surprise, I was informed that the Consulate had never telephoned to reserve passages. The agent informed me that the ship was full as 150 Japanese fishermen from Kamchatka were being sent home. He also stated that accommodation was available until 10 a.m., at least an hour after the Vice-Consul was supposed to have made the reservation. It later transpired that the Vice-Consul had not telephoned as he knew that the ship was usually empty. We were, therefore, compelled to spend eight days in Vladivostock awaiting the next steamer to Japan, as no other ships were available, and eight more uncomfortable and disagreeable days would be difficult to imagine.

10.—In the hotel we found the same unreliability regarding prices, and the same fantastic charges, but we were forced to pay in gold dollars as we should otherwise not have been given accommodation. We were a party of thirty-one men, women, and children, and were cooped up in five rooms. The management informed me that the charge for three rooms would be G. \$2.50 per room per day, and for two rooms G. \$3.00 per room per day. When the bills were presented, it was found that this information had been ignored and we had to pay at increased rates. There is no one to appeal to in Russia, and, if one argues with a state institution, one is promptly handed over to the G.P.U.

11.—On the 19th October, we proceeded to the wharf at 9.30 a.m., but were not allowed on board the vessel until 4.30 p.m. Once on the Japanese steamer our greatest difficulties were over and we thereafter met with every courtesy and assistance.

12.—Throughout the journey through Russia the seven boxes of archives caused me constant worry and anxiety. Had the Russian Customs' seals broken, the Soviet officials (the G.P.U.) would have confiscated all the documents. Fortunately, the seals held and the archives have arrived safely in Shanghai.

I have, etc.,

C. H. B. JOLY,  
*Acting Commissioner.*

THE INSPECTOR GENERAL OF CUSTOMS,  
SHANGHAI.

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ENCLOSURE No. 4.

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No. 4268.  
I.G.

CUSTOM HOUSE,  
HARBIN, 30th August 1932.

SIR,

I have the honour to enclose my final report upon the events leading up to the seizure of the Customs establishment at Harbin (including Manchouli) by the "Manchukuo" Authorities.

I have, etc.,

H. E. PRETTEJOHN,  
*Commissioner.*

THE INSPECTOR GENERAL OF CUSTOMS,  
SHANGHAI.

HARBIN, 30th August 1932.

SIR,

I have the honour to report on the events prior to and after the seizure of the Customs at Harbin.

Early in February a Preparatory Committee for the celebration of the New State of "Manchukuo" was formed and I was inundated with unsigned letters telling me that I should attend the celebrations, and even close the Custom House on certain days. I, of course, ignored these instructions, but every shop had to send a representative to the celebrations under the penalty of a heavy fine for disobedience and by this method a fairly large but motley crowd was collected together, although it was amusing to see the Chinese when they were not watched showing their appreciation of the New State by tearing down the posters which literally covered the town. Early in March I was informed that a Japanese Adviser would be appointed to the Superintendent, and on the 14th March I was officially notified by the Superintendent of this fact. On the 13th March a representative of the new Government called on me and asked me whether I was prepared to work for the new Government. I pointed out that I could only carry out the instructions of the Chinese Government and I also pointed out that as the Customs revenue was security for foreign loans it would be very unwise to interfere with it. In the meantime the Russo-Japanese feeling was becoming more tense and the Russians were evidently determined not to be caught napping and had troops stationed all along the frontiers. For these troops they purchased an enormous amount of grain in Manchuria and shipped it by train *via* Suifenhö to the Priamur district. The "Manchukuo" Military did all in their power to stop this movement of grain, and eventually I was instructed to prevent it. I pointed out that I had no troops at my disposal and I suggested that the Military should take their own steps, a thing they could not do as they did not at that time control the Railway. In the meantime the shipment of grain went merrily on. On 31st March I received an official notification from the Manager of the Bank of China that he had instructions from "Manchukuo" to pay over the revenue collection daily to the Three Eastern Provinces Bank. He had in fact been forced to sign an agreement to this effect, and I was given to understand that he was kept by Japanese until 1 a.m. in the morning at the Bank until he signed it. I immediately wrote to the Bank holding it responsible for the funds in its hands and my action was later approved by the Chinese Government. From this time on it meant that "Manchukuo" had virtual control of the

collection, as I was forbidden to remit. At first the Bank refused to honour my cheques for current expenses unless passed by Mr. Kato, the Japanese Adviser to the Superintendent. This would have made my position impossible, and I attended a meeting and told them plainly that I refused to carry on under such conditions. After an interval of two or three days the Japanese Adviser gave way and agreed that all my cheques for current expenses should be honoured without question. Various attempts were made to procure my assent to serve the new Government, and it was even hinted that a British Inspector General of Customs would be required; I simply replied that I could not become a traitor to the Government I had served for thirty years. As I remained firm, the Acting Deputy Commissioner was sounded; he had to be somewhat more diplomatic in his answer as he was a Russian, but he remained loyal. In April the "Manchukuo" Authorities started collecting an emergency Customs Staff and gathered together all the ex-Customs employees, who had mostly been dismissed for dishonesty, with instructions to stand by in case of emergency. This band, like vultures of ill-omen, gradually increased. However, just about this time a lull occurred as the League of Nations Mission was due in Harbin and the Authorities evidently desired to be on their best behaviour while the Mission was in town. Dr. Wellington Koo accompanied the Mission, and on 11th May I called on him and Lord Lytton. I was politely informed by the reception committee when I handed in my card that Dr. Koo was out, but knowing full well that I should receive this answer I had sent up another card privately before I approached the reception committee and just as the committee for the second time were telling me that Dr. Koo was out my man returned and requested me to come upstairs as Dr. Koo would see me. I expected trouble after the departure of the League Mission, as one of the "Manchukuo" officials naïvely told me that no interference with the Customs would take place until after their departure. At the end of May I heard on good authority that it was intended to appoint a Japanese Inspector General of Customs for these provinces. As the matter was so urgent I gave the information to Mr. Fraser of the "Times," who telegraphed the information to London. This news created quite a sensation and had the desired effect of stopping the appointment. Attempts were made to interfere with my staff, and I found it advisable to send Mr. Yü Shao Wu away to Manchouli out of harm's way. It will be seen later that my precaution was a wise one, although it failed owing to Mr. Yü turning traitor. All this time the "Manchukuo" Authorities were desperately in need of funds and it was evident that they would go to great extremes to procure

money, and therefore the position in my opinion was becoming critical, and from what I gathered their chief aim was to get control of the Dairen revenue. My surmise was correct, and the retention of the Dairen revenue and the dismissal of Mr. Fukumoto precipitated events here.

#### SEIZURE OF CUSTOMS AND SUBSEQUENT EVENTS.

On Saturday, the 25th June, at 11.45 p.m., I received a telephone message from the Acting Deputy Commissioner stating that one of our men had telephoned him and informed him that the Custom House in Section 8, on the river, had been surrounded by police and warning me that the same would probably happen with the Head Office. I happened to be dining with Mr. Gibbes in the Customs compound, and Mr. Fraser, correspondent of the "Times," was also a guest, so we all went over to the Custom House situated a few yards off. I there met the Acting Deputy Commissioner, Mr. K'o, Mr. Rozoff, and the Tidesurveyor. I noticed that the compound was surrounded by police who had just arrived; they were led by several Russian and Chinese detectives and one Japanese. Our arrival so early was evidently not expected, and the Japanese immediately disappeared. I entered the Custom House and met several Russian detectives. I asked them for their authority for their action and they simply replied that they were acting on instructions. As we were such a large body of people the detectives were nonplussed and we managed to open the safes and take away with us most of the important documents, the day before happened to be pay day, and the pay sheets and a certain amount of money were in the safe. The next day, Sunday, I attempted to enter the office but found it locked and guarded by police. My house adjoins the Custom House, and the whole compound was heavily guarded. Later in the morning I was informed by the Superintendent that he wished to see me with a Mr. Hirota, acting for Mr. Kato, who was away. I arranged a meeting for 2 p.m. In the meantime I received various members of my Chinese staff, who informed me that Japanese in plain clothes, who admitted coming from the Military Mission, had called at their private residences in the early hours of the morning and tried to force them to sign a document to work for "Manchukuo." I urged them to remain loyal to their country and advised them not to go back to their residences until the situation became clearer. Several Chinese fled to my house and I gave them protection. Unfortunately, a few of the staff were housed in Section 8, in a building in the Customs compound. These employees were caught in a trap as the Authorities refused to allow them out and held their families as hostages, and it

was these few people who were forced to sign an agreement to work for "Manchukuo." The rest of the staff from now on kept on the run, hiding themselves all over the town, and I am glad to report that, with the exception of the few people who were caught and four whom I regret to state were deliberately disloyal, all managed to get away from Harbin. This was only possible owing to the Japanese not knowing our men by sight and the Chinese police being secretly sympathetic and unwilling to arrest unless pressed by the Japanese. At 2 p.m. I received the Superintendent and Mr. Hirota, who arrived with three other Japanese and two Chinese. All the conversation was carried on by the Japanese, and the Superintendent said nothing. Mr. Hirota informed me that "Manchukuo" had severed connection with the Chinese Government and they must therefore take over the Customs, and they requested me with my staff to remain at my post and work as usual. I replied that I could only obey my chief, the Inspector General of Customs. Mr. Hirota then said that it was important that the work should be carried on and he hoped I would decide to work for "Manchukuo." I replied that I could not do so without instructions. He then quoted Japanese history to me where certain high officials had acted contrary to the Emperor for the benefit of the country. I replied that I was in the position of a soldier and had to obey the orders of my chief, but if *he* decided that I was to continue to work it would be quite different. After much argument Mr. Hirota said it was evident that I had no intention of serving "Manchukuo" and he had to inform me that "Manchukuo" would take over the Customs forthwith, and I was then handed a despatch to this effect by the Superintendent. I then informed them that they must clearly understand that I refused to hand over and the Customs must be taken by force. I also informed them that I had been perfectly frank, and before they left I had one request to make and that was that I hoped that both sides would act in a gentlemanly way. I stated that I was informed that the Japanese were threatening my staff and trying to force them to sign a document to serve "Manchukuo." I pointed out that if I approached a Japanese officer and tried to make him disloyal to his country, I was quite sure he would resent such action on my part very strongly, and I considered it most unfair to try and bring pressure to bear on Chinese who after all were serving their own country, and I hoped that such actions on their part would cease. Mr. Hirota promised to do what he could, but said the position was very difficult. We then parted and I was sent a "Manchukuo" flag presumably to hoist; I returned this flag when it was duly hoisted by the police. Although Mr. Hirota had definitely promised to leave my staff alone,



at about 5.30 p.m. two cars drew up at the Acting Deputy Commissioner's residence, in one was Mr. Hirota, Mr. Sugihara, Chief of the Diplomatic Department of "Manchukuo" at Harbin, and one other Japanese, and in the other car as far as could be ascertained were police. They apologised for troubling Mr. Ohrnberger, but insisted on seeing him. They then pressed him to join "Manchukuo" since the Commissioner had refused, and they offered him promotion to Commissioner's rank and £8,500 in cash besides other benefits; they were very frank but very persistent. The interview lasted for 1½ hours, and they stated that they did not want a Chinese Commissioner and especially wanted a foreigner who knew the work. Mr. Ohrnberger politely refused their offer. I may mention here that "Manchukuo" were finding it very difficult to run the Office, as I had succeeded in withdrawing everything of importance and I held the keys of the safes, although all important documents had long before been taken out of them. The next day two of the Chinese who had taken refuge in my house stupidly walked into the Customs compound. They were immediately arrested; luckily I was within call and went out and insisted on their returning to my house; the detectives followed but directly they put foot in my compound I ordered them out and they withdrew. From now on we were practically besieged, and I had to carry on what work I could in my house. Amongst the men who had taken refuge in my house was Mr. K'o, the accountant, a man they were keenly desirous of procuring, and I knew they would do all they could to catch him. The pressure on the staff became so bad that I requested the Senior Consul to call a meeting of the Consular Body, which he did, and at which of course the Japanese Consul was present. I pointed out at this meeting what was being done, and I showed clearly that everything was being instigated by Japanese, but I was careful to state that they were Japanese in the employ of "Manchukuo." I gave the names of the Japanese and requested the Consular Body to take steps to put an end to such outrageous behaviour. The next day the Japanese Consul brought the Chief of Police, Mr. Yagi, down to my house, and the Consul stated that he had brought him specially as he could assure me that no pressure was being brought to bear on my staff. I was astounded at this statement and told the Consul frankly that I had too much evidence to the contrary to accept Mr. Yagi's assurance; in fact I stated that Mr. Yagi was one of the chief culprits. I also asked Mr. Yagi why my house was surrounded by police; he calmly told me it was for my protection. I thanked him but told him I did not require his protection as I was a Britisher and my own country could look after me. I also told them that so long as such methods were adopted, I should do all

I could to make them public. I fully realized that the attitude I adopted was bound to lead to reprisals but I also fully realized that our only protection was publicity. Luckily, I was most fortunate, as Mr. Steele of the New York "Times" was in the town and also Mr. Fraser of the London "Times." As I expected further events to happen, I asked Mr. Fraser to stay with me, which he kindly did, and from then on he was an eyewitness, and Mr. Steele kept in close touch with me.

I will now relate shortly what was happening at Manchouli. The reason why Mr. Hirota came with the Superintendent to see me instead of Mr. Kato was, I found out later, because Mr. Kato had proceeded to Manchouli to escort Mr. Yü Shao Wu to Harbin, as he was wanted as nominal Commissioner as no foreigner could be persuaded to take the post. They had some conversation together, but Mr. Kato left without Mr. Yü, but Mr. Yü was later escorted down to Harbin by other Japanese. Mr. Yü had definite instructions from me to escape at the first sign of danger, which he did not do, and from his later actions I can only assume that he fell to the bribes offered him. I regret to have to state that I consider him a traitor, but his actions leave me no other alternative. There are at Manchouli a body of some 400 police, of which 150 are Japanese. The Custom House was surrounded and the Assistant-in-Charge, Mr. E. T. Schjörth, was given only a few hours to vacate his house, and I believe many things were thrown out of the windows to hasten his departure. The same methods were employed there as at Harbin, and pressure was brought to bear on the staff. Mr. Blumberg, the Assistant Examiner, was arrested, as the Japanese took a special dislike to him as he was exceedingly firm in refusing to work for "Manchukuo." He was kept in prison for nine days and towards the end went on hunger strike. There is no Consular Body at Manchouli to watch the actions of this newly born state, but fortunately the Senior Consul, Mr. Hanson, was on a trip and heard of Mr. Blumberg's arrest and detention and went to investigate. He arrived at Manchouli at a most opportune moment, as he was present on the station when Mr. Schjörth, the Assistant-in-Charge, a Norwegian, was arrested and surrounded by armed police and taken off and detained for half a day. I received information of this arrest and immediately took steps to see that Mr. Schjörth's Minister was made aware of the fact. Incidentally I may mention that "Manchukuo" now deny that Mr. Schjörth was ever arrested, in spite of the fact that the Senior Consul was present on the station when it occurred. Full details of the raid at Manchouli will be given by Mr. Schjörth personally.

I was continually being attacked in the local newspapers, and after my interview with Mr. Yagi an open letter was published in all the papers at the instigation of the Authorities in "Manchukuo" warning me that drastic steps would be taken against me if I continued to make such accusations against the police. On 6th July the police arrested a Russian Messenger in the Customs by the name of Grabareff, asserting that they found in his desk in the Customs incriminating documents showing that he was carrying on Bolshevik activities, later Mr. Rudnitsky, Assistant Boat Officer, A, was also arrested for the same reason. I saw at once that "Manchukuo" would use this as an excuse to get at me. Later on in the evening of the 6th, I was warned that something would happen. About 11 a.m. on the 7th, the British Consul General informed me by telephone that a Japanese and a Chinese in the "Manchukuo" Police were at his office and stated that they wished to search my house, and the Consul General asked me to go over and see them. I immediately went, and these police officers demanded permission to search. I may state that they had already accused Mr. K'o in the newspapers of being a communist. The Consul General stated that he wanted more definite information before granting permission. They went away but returned to the Consulate about 1.30 p.m. with a letter from the police demanding to search my house for incriminating evidence in connection with communistic activities of certain persons, and as the Consul General could do nothing further to prevent it, he sent along the Vice-Consul to be present. To cut a long story short about 15 to 20 detectives arrived while I was at lunch, and after I had completed my lunch, the search commenced. The first thing they asked for was Customs documents, some of which they found and took away, which shows pretty plainly what they were really after; they then produced a list of Chinese who were supposed to be living in my house—I regret to state that this list was supplied to them by Tsen Tieh-fan (岑鐵藩), Third Clerk, A, a Manchu, who at the commencement of the trouble came into my house and pretended loyalty but did so with the express purpose of spying on us, as he was, as we later found out, working for "Manchukuo" the whole time. This man has since died suddenly, and has thus apparently got his deserts. The list contained many more names than those actually in the house, as I had been gradually getting the men away at night, but it goes to show on what vague information my house was searched and that it was deliberately done to get at the documents and Mr. K'o, as the four Chinese in my house, including Mr. K'o, were arrested and taken off to prison. I am firmly convinced that the search for communistic literature was merely a pretence, and this is borne out by the fact that all

the men had to be released later on as nothing could be proved against them. I was of course trying to carry on my work in my house and the Assistants had to attend at my house every day; Mr. Rozoff, a strong White Russian, was arrested at 1 p.m. when he left my house, and the Acting Deputy Commissioner was also arrested later; their houses were searched, and they were taken off to prison. The whole action of "Manchukuo" was scandalous, and a strong telegram was sent off by Mr. Fraser to his paper. This telegram was held up by the censors but was eventually sent by another route, the only reason why it could have been held up by the censors was because the Authorities knew perfectly well that their actions were *ultra vires*, and they were ashamed of the news being published. Some other respectable residents were also arrested from the firms of Wassard & Co. and Dreyfus & Co. These firms are big grain merchants who ship most of their grain by the Chinese Eastern Railway and not by the South Manchuria Railway. Mr. Rozoff was released the same evening, but Mr. Ohrnberger was kept in prison for five days, and although, of course, there was no case against him, they refused to released him until the safes were opened, as they said there might be communistic literature in them; this of course was simply a method of getting the safes opened. I had to agree to this, although no harm was done, as no important documents were in the safes, but I refused to open them unless a representative from the British Consulate was present, as the police were so unscrupulous they might have planted something in the safes. I eventually handed over the safes in the presence of the British Vice-Consul, and Mr. Ohrnberger was afterwards released.

Practically all newspapers in Harbin are under the control of the Japanese. Directly some of my staff were arrested, articles appeared accusing me of harbouring communists under the British flag. One of these papers is registered in the Japanese Consulate. I promptly went to the Japanese Consul and told him that the article was insulting to my country and myself and if such articles did not stop at once, I should demand an apology through my Consul. He promised to see that it did not occur again.

All this time I was getting my staff away from Harbin. I was continually receiving telephone messages in the Southern dialect from them from all over the town; even this method of communication was dangerous, as the Japanese listened in to all messages over the line; however, I managed to arrange meetings at friends' houses and advanced the men sufficient money to clear out; many

of them went disguised. The successful evacuation of the Chinese was, I understand, a surprise to the Authorities, as one of them asked me where I got the money to do it? They thought they had paralysed me, but they must have been stupid if they imagined I had not made plans well in advance for all eventualities. When "Manchukuo" want a man to work for them and he refuses, the usual method is to put him in prison and treat him so badly that he eventually consents to anything. This method was used with Mr. K'o, and they treated him and the other three Chinese disgracefully and placed them in prison with the thieves and robbers, although they had not even been tried, much less convicted. I, in the meantime, was using all my efforts to get them out, and with the help of the Consuls I was eventually successful, although Mr. Yagi tried to make a stipulation that I should hand over some documents in exchange; I refused to deal with him, but pointed out to the Japanese Consul General that my retention of documents had nothing to do with the guilt or innocence of these men, and I eventually prevailed. About this time I noticed a great change in the behaviour of the Authorities towards us. Most of the police round my house were withdrawn and they were more obliging, although they still tried to annoy us in petty ways.

Later on I was ordered to vacate my house; I appealed to the British Consul General, but had to vacate at the end of July. This ends the episode of the seizure of the Customs, but I cannot end this report without stating that I am very grateful for the support given me by the American and British Consuls General, who always did all in their power to help me.

As regards the staff, I should like to point out that I consider both the Russian and Chinese staffs behaved admirably under very trying circumstances; they had no extraterritorial rights to protect them, and they were placed in a very awkward position; the proof that they behaved well is shown by their loyalty to the Service and their refusal to work for "Manchukuo" although all methods from bribery to force were used.

I regret to have to report that four men were in my opinion actively disloyal, viz., Messrs. Yü Shao Wu, Liu I K'ai, Tsen Tieh-fan, and Ma Hsi-ku, of whom Mr. Tsen Tieh-fan is already dead. The two Japanese Out-door Officers, viz., Mr. Murayama and Mr. Ishikawa, as expected, went over to "Manchukuo." Being Japanese subjects they were, I believe, forced to by their Government. All the rest who are working for "Manchukuo," and they are very

few, have as stated been forced against their will. I hope if the surviving traitors mentioned above are ever caught they will be severely dealt with.

I have, etc.,

H. E. PRETTEJOHN,  
*Commissioner.*

SIR FREDERICK MAZE, K.B.E.,  
INSPECTOR GENERAL OF CUSTOMS.

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ENCLOSURE No. 5.

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REPORT ON THE SEIZURE OF THE  
DAIREN CUSTOMS.

A report on the seizure of the Dairen Customs, following the defection of the Japanese members of the staff, is herewith submitted. For the sake of convenience, the report is divided into five parts as under:—

- Part 1: Events immediately following the resignation of the Japanese staff, on 26th June 1932.
- Part 2: Controversy with the Yokohama Specie Bank.
- Part 3: Period from the beginning of July 1932 to 14th September 1932.
- Part 4: Eviction from Customs premises and seizure of Customs property in September 1932.
- Part 5: Evacuation of the staff and conclusion.

J. V. PORTER,\*  
*2nd Assistant, B.*

I.G. OF CUSTOMS,  
(DAIREN) SHANGHAI, *3rd March 1933.*

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\* John Victor Porter, whose father and grandfather had both been members of the Customs Service, was born on the 13th February 1904 at Shanghai, and joined the Service by competitive examination on the 8th January 1925 as 4th Assistant, B. He has served at Newchwang, Chefoo, Tientsin, Hankow, Dairen, the Inspectorate at Shanghai, Tsingtao, Shanghai, Canton, and Shanghai again.

## REPORT ON SEIZURE OF DAIREN CUSTOMS.

PART 1: EVENTS IMMEDIATELY FOLLOWING RESIGNATION OF  
JAPANESE STAFF.

26th June.—About 9.30 p.m. on Sunday, 26th June 1932, a number of the Dairen Customs Chinese staff visited me at my residence in the Dairen Club and stated that Mr. J. Fukumoto had sent for the Writer, Mr. Chou Tsu-yin, and informed him that the Japanese staff, headed by Mr. M. Nakamura, Acting Deputy Commissioner in Charge, *ad interim*, had resigned and joined "Manchukuo," and asked him, Mr. Chou, to ascertain the attitude of the Chinese staff. On hearing this I immediately wrote to Mr. Nakamura and asked him if Mr. Chou's statement was correct. In reply, Mr. Nakamura telephoned and requested me to visit him. At the interview, he admitted that the Japanese staff had resigned and had wired the Inspector General to that effect, excluding from the telegram the name of Mr. G. Yoshida, 1st Assistant, A. Mr. Nakamura promised that, if the Chinese staff did not wish to join "Manchukuo," no coercion would be applied and that passages to Shanghai would be provided them. On the other hand, if they joined "Manchukuo," they would receive the same treatment regarding pay, superannuation, etc., as in the Chinese Service.

On returning to the Dairen Club, I informed the members of the Chinese staff of Mr. Nakamura's promise of "no coercion," but they were very sceptical as to the value of his promise. I advised them to report for duty in the morning as usual and await instructions from the Inspector General. A telegram was then despatched to the Inspector General reporting what had occurred. In view of the fact that Mr. Yoshida had not yet resigned and was senior to myself, the telegram was sent in the joint names of the senior Chinese Assistant, Mr. Chou Chin Chêng, 2nd Assistant, B, and myself.

A meeting of the Chinese staff was held in their Club at midnight and a delegation of five nominated.

27th June.—The delegation of the Chinese staff visited me at 7 a.m. on Monday, 27th June, and informed me that the Chinese staff had decided to take instructions only from myself. They also expressed the view that if they attended their desks as usual, such action would probably be construed as willingness to work for "Manchukuo." They also expressed great apprehension of coercion being applied. I thereupon told them that I would meet the whole staff at their Club (which is on the first floor of the Custom House) at 9 a.m.

The majority of the Chinese staff worked in the General and Appraising Offices, which were situated in the South Manchuria Railway Wharf Building. Only the following offices were in the Custom House itself:—

Commissioner's Office,  
„ Japanese Secretary's Office,  
„ English „ „  
Accountant's Office,  
Writer's Office,  
Tidesurveyor's Office, and  
Marine Surveyor's Office.

All the above were on the ground floor.

After the delegation's departure, I communicated with Mr. Nakamura and asked him to address the Chinese staff at their Club at 9 a.m. and repeat the assurances he had made me the night before. He agreed.

At 9 a.m. Mr. Nakamura addressed the staff in a long rambling conversational manner, during which he mentioned that Mr. Yoshida had been appointed by the Inspector General to take charge. I immediately enquired if Mr. Yoshida had accepted. On Mr. Nakamura expressing his ignorance I asked him to telephone and enquire. After a few minutes' absence Mr. Nakamura returned and said that he had been unable to get in touch with Mr. Yoshida, but that he had learnt from Mr. Fukumoto that Mr. Yoshida was refusing the appointment. He also added that Mr. Fukumoto himself would shortly arrive and address the staff. This was the first intimation on Mr. Nakamura's part that Mr. Fukumoto was heading the "Manchukuo" administration. Mr. Nakamura then left the room.

By this time a number of Japanese press reporters and photographers had forced their way into the room. Also uniformed and plain-clothes police were to be found everywhere in the building.

At 9.40 a.m. Mr. Fukumoto, accompanied by Mr. Nakamura, appeared on the scene. The former appeared very embarrassed at meeting me.

Mr. Fukumoto commenced his address by a historical survey of the events of the past few months. He then went on to thank the staff for their loyal co-operation in the past and said that those who wished to continue to serve under him would be welcomed. Those who wished to remain with the Chinese Customs were



perfectly free to do so and their passages to Shanghai would be provided them. He stressed that no coercion would be used. He also remarked that all Customs property belonged to the Chinese Customs and that he would be a thief if he took it over. He added that he and his staff would shortly vacate the Custom House and move into the South Manchuria Railway Wharf Building and that the Customs residences would be handed over. Finally, he stated that he would continue to work for a settlement of the China-"Manchukuo" Customs dispute, but added that if China placed an embargo on Dairen, *i.e.*, refused to recognise Dairen Customs documents, he would take such steps as he considered fit.

At the conclusion of Mr. Fukumoto's speech I addressed a few brief remarks in which I stated that speaking for myself I could not abjure my loyalty to the Inspector General and the Chinese Customs Service. I stressed the fact that Mr. Fukumoto had promised no coercion and uttered a warning that if any members of the staff were thinking of joining "Manchukuo," they would have first to resign from the Chinese Customs, forgoing all benefits accruing to them. These remarks were translated into Chinese. The meeting then broke up, but before Mr. Fukumoto left the room several members of the staff pressed around him and asked him to request the police not to molest them. Mr. Fukumoto agreed to do so.

On his leaving the room, I attempted to have a private conversation with Mr. Fukumoto, but he was unwilling.

On returning to the Club room I exhorted the staff to remain loyal. Pointing out the Tientsin precedent, I expressed my conviction that the Inspector General would be mindful of their welfare and requested them to await quietly the Inspector General's instructions.

A telegram was then despatched to the Inspector General.

The Miscellaneous Out-door Staff had gone about their duties as usual and the Japanese in the General and Appraising Offices in the Wharf Building were functioning as best as they could with the aid of the t'ingch'ais. With the exception of three junior Chinese Tidewaiters, the Service-Listed Out-door Staff was entirely Japanese, and so this branch was able to function normally.

The remainder of the morning was spent in reassuring groups of individuals. Their two main anxieties were: (1) being arrested, and (2) losing employment. In reply to their questions I stressed that I felt convinced that: (1) Mr. Fukumoto would not break his word, and (2) the Inspector General would not let them down.

Individual members of the staff were constantly being questioned by police, press reporters, and others. I, therefore, told them to refer all questioners to myself.

During the afternoon the staff became more restive and it was feared that some of them might become demoralised, the more so as Mr. Y. Mayeda, former Unclassed Assistant and Commissioner's Japanese Secretary, had told them that Mr. Fukumoto was giving them until noon the following day (Tuesday, 28th June) to decide their course of action. In answer to their questions, I pointed out that a reply from the Inspector General could not possibly arrive before the evening. At their request, I promised to advise them as soon as I heard.

Several attempts were made to get into touch with Mr. Fukumoto but without success.

*28th June.*—The following morning, no instructions having as yet arrived from the Inspector General and in view of the fact that Mr. Fukumoto's ultimatum was expiring at noon, I feared that some of the staff might go over to "Manchukuo." Also, the local newspapers were beginning to speak of the Chinese staff's attitude as a "strike" brought about by "seduction" and "intimidation"! I therefore decided that, if circumstances warranted it, I would assume authority, inform the staff that I expected to be obeyed, and publicly announce that I had assumed control of Customs property in the name of the Inspector General. I was fully aware of the terms of the Dairen Customs Agreement of 1907, but did not consider that the custodianship of Customs property conflicted with its terms. I thereupon sent off as early as possible (about 8.30 a.m.) my third telegram to the Inspector General.

On arrival at the Custom House I again endeavoured to get in touch with Mr. Fukumoto, and was eventually successful. As a result of our interview, Mr. Fukumoto agreed to extend the time limit of his ultimatum until such a time as word had been received from the Inspector General. He also informed me that arrangements were being made to remit the balances of revenue detained up to the 26th June. The extension of the time limit of Mr. Fukumoto's ultimatum and the absence of uniformed police in the building calmed the atmosphere considerably, so no further steps were taken, and a telegram was sent to the Inspector General to that effect.

About noon a deputation of the Miscellaneous Out-door Staff visited me, and in reply to their numerous questions, I made the same answers as I had already made to the Service-Listed Staff.

I also told them that all those who wished to be loyal were to report at 9 a.m. the following morning to the Senior Chinese Out-door Officer. As already mentioned, the Miscellaneous Staff had been carrying out their duties as usual.

At about 9 o'clock that night, at short intervals of each other, arrived a message from the British Ambassador in 'Tokio and two telegrams from the Inspector General, the first *en clair* and the second in confidential code. The Ambassador's message contained a caution not to infringe any of the terms of the Dairen Customs agreement of 1907. In reply, I stated that I had been careful all along not to commit any act that might be considered to conflict with the terms of the Agreement.

*29th June.*—The following morning I informed the staff of the Inspector General's instructions. A large portion of the Miscellaneous Staff had reported themselves as loyal and had been placed in an empty room next to the Chinese Staff Club. Instructions were issued to hoist the Chinese flag. Mr. R. Yada, former Chief Tidesurveyor, ordered it to be pulled down. After telling the staff that they were not to take orders from Mr. Yada, I spoke to the latter pointing out that Mr. Fukumoto had stated that the Custom House was still Chinese property and that therefore the Chinese flag should remain flying. Mr. Yada's manner was most truculent.

A little while after returning to my office, Mr. Yada rushed in and commenced abusing me for preventing him from speaking to the Miscellaneous Staff and added that if I continued to interfere with his freedom of speech he would have me arrested! I attempted to soothe him and offered him a cigarette. I remarked that I was not preventing him from speaking to whomsoever he wished, but added that, in order to avoid misunderstandings, the staff had been advised to refer questioners to myself. I said that if he wished to address the Miscellaneous Staff, I would be only too happy to accompany him, but reminded him of Mr. Fukumoto's pledge of "no coercion."

On arrival at the room occupied by the Miscellaneous Staff, it was noticed that a number of press photographers, reporters, etc., had already assembled. In a brief speech Mr. Yada told them that if they did not return to their posts by the afternoon they would be dismissed. At the end of his address I requested him to add that no coercion would be applied. He complied. I then addressed a few remarks to the staff.

Shortly afterwards I saw Mr. Fukumoto, who proved to be in a less friendly and less conciliatory mood than formerly. The withdrawal of the Miscellaneous Staff from the General Office in the Wharf Building had almost paralysed the working of the Office. Mr. Fukumoto, in no uncertain terms, stated that he strongly "advised" me to send the Miscellaneous Staff back to the Wharf Building. He also said that he did not "wish" the flag to be flown over the building.

On returning to my desk, complaints were brought to me that individuals were being threatened by Mr. Yada. I, therefore, gave instructions that the Miscellaneous Staff were to be individually told that they may return to their posts under the Japanese and that the case would be regarded as *force majeure*. All but seventeen thereupon threw in their lot with the Japanese.

There were seventeen Ho-shui-yüan on the Staff, of whom two joined the Japanese.

Household servants were told to remain at the residences to which they were attached, as such buildings were Chinese Customs property and the servants were to be regarded as caretakers. Towards the end of July it was arranged that Mr. Fukumoto would pay them their wages *in lieu of* rent for residences occupied. On the 18th September, after the formal seizure of Customs property, the household servants were told to withdraw from the residences. Six out of ten obeyed and were paid off on the 31st October 1932.

The atmosphere of this day, Wednesday, 29th June, was highly charged, and Mr. Yada appeared in a very excitable mood. I thought it wise, therefore, to advise the majority of the staff to stay at home for a few days, only the members of the Accounts Office and one or two others reporting for duty.

*Conclusion.*—From the 29th June onwards Mr. Fukumoto turned up regularly at the Custom House, occupying the Commissioner's Office. He, however, handed over to me the keys of the safes and the code books. Certain confidential letters he extracted, had copied, and returned to me. He assured me in writing that all the archives would be left intact and would be considered as Chinese Customs property. He also informed me that he was making arrangements to vacate the Custom House and residences on Sunday, 10th July. On Monday, 11th July, the Japanese were still in occupation. On my enquiring the reason why, Mr. Fukumoto stated that the police had requested him not to vacate Customs premises, as such action would cause a "sensation" and might lead to trouble!

From this time until the 14th September life assumed a more normal aspect.

#### PART 2: CONTROVERSY WITH THE YOKOHAMA SPECIE BANK.

On the evening of 30th June a telegram was received from the Inspector General, instructing me to endeavour to secure immediate remittance of revenue balances. Accordingly, on the following morning I called on the Manager of the Yokohama Specie Bank and informed him that I was about to make a formal request for remittance of revenue balances. He requested me not to take precipitate action, but to wait a few days, as he hoped for a settlement of this question. I asked him exactly how many days he wished me to wait. He replied two days. I also enquired as to his attitude regarding the Office Account funds. He said that he thought that I would be able to draw on them, but that he would first have to consult Messrs. Fukumoto and Kawai.

In reply to my wire informing the Inspector General that the Yokohama Specie Bank had requested two days' grace, the Inspector General telegraphically instructed me that no further delay in remitting could be countenanced and that I was to make written formal request to remit by telegraphic transfer, and that, if the Bank failed to comply, to request a written explanation (I.G. telegram No. 1 to Mr. Porter).

I immediately carried out the above instructions, at the same time informing the Manager by telephone that, as the result of further instructions, I was unable to grant him the two days' grace.

As soon as he received my letter, the Manager called on me and informed me that he could not comply with my request. He stated that Mr. Kawai, Chief of the Foreign Section of the Kwantung Government, had "advised" him to carry out the instructions of the "Manchukuo Government" and that "Manchukuo" had threatened to close his bank's branches in Manchuria if he remitted the revenue. Despite my repeated requests, he refused to give me a written reply.

The revenue balance was eventually remitted by the Bank to the Inspector General on 27th July under instructions of the "Manchukuo" authorities.

*Service Account.*—After consultation with Messrs. Kawai and Fukumoto, the Manager of the Bank informed me that I would be permitted to draw on the Service Accounts for current expenses, but stipulated that under no consideration was any money to be remitted to Shanghai.

On the 11th July I formally requested the Bank to transfer from Revenue to Service Account the usual monthly office allowance of *Hk.Tls.* 24,000. On receipt of my request, the Manager telephoned me and asked me to see him to discuss the matter. At the interview he informed me that he saw no reason for the transfer as we had sufficient money for the time being in the Service Account. I replied that the transfer was necessary, as we might be called upon at any time to disburse large sums and could not afford to run short of funds. I also added that up to the present his objections had been solely confined to the remitting of Customs money to Shanghai, and not to its use for local office expenditure. He said that he had to consult the Kwantung Government. The following morning I rang him up and in reply to my enquiry he quoted the Kwantung Government as saying that the request was a new departure on my part and that they would require a "few days" to think it over. I denied that the question was a new one and pointed out that although the Revenue had ceased to be remitted since the 7th June, yet no objection had been made to the transfer of *Hk.Tls.* 5,000 on the 16th June. I also expressed my strong disapproval at the repeated interference on the part of the Kwantung Government with the disposal of Customs money. The next day, 13th July, the Manager called on me and stated that we had more than sufficient funds in the Service Account to carry us on to the next month. He added that if we *then* ran short of money he would permit me to draw on the Revenue Account. He was obviously playing for time, as a fortnight later the whole of the Revenue balance was remitted to Shanghai under instructions from the "Manchukuo Government." During the course of our conversation, I stressed the point that his bank was a large concern with world-wide interests and that, if it became publicly known that his office was illegally preventing depositors from drawing on their accounts, the prestige of the Bank would suffer. He half admitted the truth of my assertion, but added that he was merely holding the money in trust pending the settlement of the dispute between China and "Manchukuo." I asked him what were the views of his Board of Directors. He replied that they approved his actions.

*Tonnage Dues Account.*—Unsuccessful attempts were made to transfer to the Marine Account the small sum in the Tonnage Dues Account. This money eventually formed part of the Bank's remittance of Revenue balances on the 27th July.

*Building Account.*—Besides the Service Accounts, the Building Account had two sums on fixed deposit, one for *Gold Yen* 70,230.07 and the other for *Gold Yen* 8,285.63. The latter fell due on

20th July. The deposit receipt was accordingly endorsed over to the Hongkong & Shanghai Bank and sent for collection. The Yokohama Specie Bank refused to cash the deposit receipt, telling the Hongkong & Shanghai Bank shroff that I knew perfectly well that I could not have the money! I thereupon called on the Manager of the Yokohama Specie Bank. The latter informed me that although he was willing to let me draw on the Service Account for salaries and other current expenses, yet all moneys must be left lying in his bank until actually required for local expenditure. Returning to my office, I wrote him a letter asking him what his intentions were regarding the deposit, stating that his astonishing and illegal action in refusing to allow withdrawal was incomprehensible. In reply the Manager telephoned me that he was willing to place the amount to the credit of the Service Account to be drawn on as required for current expenditure. I pointed out to him—as I had already done on previous occasions—that the Building Account was a special fund and could not be used for current expenditure. The money, however, was placed to the Service Account in the Bank.

On the 16th August, on receipt of instructions from the Inspector General (I.G. Confidential Letter of the 10th August), I again wrote a letter to the Manager of the Bank, drawing his attention to the fact that the Building Account was a special account, quite separate from ordinary Service funds, and that the money should be kept intact and not be considered as available for Service expenditure. At the same time, I drew a cheque on the Service Account payable to myself for the amount of the deposit that had been lodged therein. The cheque was honoured and placed to the credit of my personal official account in the Hongkong & Shanghai Bank.

In reply to my letter, the Manager telephoned and said that he was willing to let me “use” the money. I, therefore, asked him if he would let me “withdraw” the money. He again repeated the word “use.”

There still remained on fixed deposit the sum of *Gold Yen* 70,230.07, the due date not being till April 1933. On the 9th September I received I.G. Confidential Letter of the 1st September, instructing me to endeavour to cash the deposit, forgoing the interest, and to remit to Shanghai the whole amount standing to the credit of the Building Account. I, accordingly, formally requested the Bank to cash the deposit and to issue a cheque payable to myself. The Bank complied and the money was remitted to the Inspector General through the Hongkong & Shanghai Bank.

At the same time, the balance of the Service Account moneys in the Yokohama Specie Bank was withdrawn and lodged in the Hongkong & Shanghai Bank.

Apparently the Manager of the Yokohama Specie Bank had erred in releasing the Building Account moneys, because, during the two months succeeding our eviction from the Custom House in mid-September, he repeatedly asked me whenever we met (*i.e.*, in the Dairen Club or at some social function) as to how I had disposed of the money, and appeared worried at the thought of the possibility of the money having been remitted to Shanghai. I invariably, laughingly replied that I had spent the money, mentioning that the paying off of the staff evacuated had been costly. Mr. Fukumoto was well aware of the existence of these two deposits and undoubtedly received a shock when, after seizing all Customs property in mid-September, he discovered that the money was no longer in the Bank.

### PART 3: PERIOD FROM BEGINNING OF JULY TO 14TH SEPTEMBER.

During the period from about the beginning of July to the 14th September, conditions gradually assumed a more normal aspect, while the Japanese consolidated their Customs Administration, or, as they called it until the 15th September, "The Manchukuo Tax Collecting Office" (滿洲國徵稅處).

At the beginning of the period, plain-clothes police were continually questioning individual members of the staff, both in the office and at their homes. They (the police) asked me to give them a full list of the names and addresses of the staff. I refused, but Mr. Mayeda, formerly Commissioner's Japanese Secretary, handed them a copy. In the course of time the police dropped their interest in us. Also at the beginning of the period my private mails from China were detained for several days. I have absolute proof that two of my private letters from Shanghai were detained by the Tidesurveyor's Office for nearly two weeks. Again, at first the post office refused to accept telegrams from me without first obtaining Mr. Yada's permission. Later, however, they made no difficulties.

*Various Receipts and Payments.*—When Mr. Fukumoto and the Japanese Staff joined "Manchukuo," the former stated that he would scrupulously refrain from seizing Customs property of whatever nature. It was, therefore, agreed that I should pay all expenses incurred before and up to the 26th June, excepting such monthly payments as rates, electricity, etc., which I would pay for the whole month of June. During July the Accountant began paying the various bills that arrived, when I discovered, towards the end of



the month, that the export duty for coal shipped during the whole month of June had been retained by Mr. Fukumoto. It was the practice in Dairen for the South Manchuria Railway Company to pay monthly the export duty on the coal they shipped, instead of at the time of shipment. I therefore approached Mr. Fukumoto and pointed out that the duty on coal shipped before the 26th June should go to our Revenue Account. He refused to consider the question, but added that he would continue to remit monthly to the "Coal Surtax Deposit Account" in the Central Bank of China, Shanghai, the coal surtax collected.

In view of the fact that Mr. Fukumoto had retained some of the revenue on goods shipped previous to the seizure of the Customs, I told the Accountant not to pay any more bills for expenses incurred before the 26th June. The amount of bills outstanding totalled *Gold Yen* 1,378.27. When Mr. Fukumoto found that we were refusing to pay any more bills sent on to us by his office, he came and saw me and a long discussion ensued. He finally agreed to pay the above amount.

All records and returns concerning revenue collection were kept in the General Office in the Wharf Building which was occupied by the Japanese. It therefore took considerable time to ferret out particulars of various moneys received prior to the seizure of the Customs and retained by Mr. Fukumoto's staff. As far as could be ascertained the sums so retained were as follows:—

Coal Duties, 1st to 25th June . . .	<i>Hk.Tls.</i> 11,426.10
Postal Parcels Collection for May .	<i>Gold Yen</i> 6,951.47
"      "      "      "      June . . .	"      "      6,873.50
Chinchow Sub-station Collection, 1st to	
25th June . . . . .	<i>C.G.U.</i> 1,121.21
Pulantien Sub-station Collection, 1st to	
25th June . . . . .	"      1,169.61
Shakakou Sub-station Collection, 20th to	
25th June . . . . .	"      1,128.26
No. 3 Examination Shed Collection, on	
25th June . . . . .	"      398.11
Deposits paid against release of cargo	
between 1926 and the 25th June	
1932 . . . . .	<i>Silver Yen</i> 67,726.07

Besides the above, *Gold Yen* 200 had been advanced to various sub-stations for petty cash, the refunding of which was refused.

*Seized Smuggled Goods.*—On the 18th July Mr. Fukumoto informed me that, fearing that the seized arms and ammunition in the Commissioner's strong room might be improperly used by the Chinese, he had arranged for the police to take custody of them. The handing over of the arms and the ammunition and the checking of quantities were carried out in our presence. Mr. Fukumoto also handed me a translation of a letter which he had written to the Superintendent of Police, in which he requested the latter to take custody of the arms and ammunition on behalf of the Chinese Customs, and until claimed by a duly authorised representative of the Inspector General.

On the 20th July the keys of the Seizure Room were handed over to us and the contents checked. Later, when possession of the Seizure Reports was obtained, it was discovered that Mr. Fukumoto had resold some of the seized cargo. On my making representation to Mr. Fukumoto, he informed me that he would hand me the money realised, if I would issue the seizure rewards to his staff. I agreed and seizure rewards for cases settled during June quarter were issued.

By the 14th September we had disposed of all seized goods with the exception of one small parcel and a variety of different kinds of contraband. These undisposed goods fell into the hands of the Japanese after the seizure of Customs property in mid-September.

#### PART 4: EVICTION FROM CUSTOMS PREMISES AND SEIZURE OF CUSTOMS PROPERTY.

*14th September.*—In the morning of the 14th September I had one of my periodical conversations with Mr. Fukumoto, smuggling being the principal topic. At the close I asked him when he thought that he and his staff would vacate Customs buildings. He replied that "Manchukuo" would probably take the property over. I remarked: "Surely that is impossible, as the buildings are registered under Japanese law as Chinese Customs Property." He answered that politics overrode law and advised me not to concern myself about politics.

Shortly after returning to my office I heard rumours that, following upon recognition of "Manchukuo" by Japan, the "Manchukuo" flag would be hoisted over the Custom House. According to the same rumours, this was expected to take place at 4 p.m. Realising that the hoisting of the flag would signify that the Japanese had definitely seized the Custom House, money in the safe, accounts vouchers, confidential letters, code books, despatches

dealing with the Manchurian situation, Memos. of Service, duplicate keys, etc., were hurriedly withdrawn. As the corridors outside our offices were swarming with Japanese, discretion had to be used in order to avoid arousing suspicion.

The day ended, however, without the flag being hoisted.

*15th September.*—The following day, 15th September, being the Mid-Autumn Festival, was a Customs holiday, and the Office was closed. Around about 1 p.m., the “Manchukuo” flag was hoisted all over the Leased Territory and was seen flying over the Custom House and the Commissioner’s residence.

In the afternoon members of the staff were prevented from entering the Custom House under instructions from Mr. Yada. (The Chinese Staff Club is situated in the Custom House.)

*16th September.*—On the morrow, 16th September, we found no difficulty in entering our offices.

At 11.40 a.m. I received a letter from Mr. Fukumoto stating that, following the recognition of “Manchukuo,” his position as Commissioner of Customs at Dairen had been confirmed and that my former connection with the Dairen Customs had ceased; that as Commissioner and “having control and being held responsible for the preservation and the custody of all Customs official landed and other properties, documents, archives, etc.,” it was his “duty to request” me to “hand over all keys to official safes and archive cupboards before” my “retirement from Customs official premises”; and that we were to clear out all private belongings, but that he had no objection to our staying in the “old Chinese Staff Club rooms for a short while if necessary to wind up business.” I immediately wired the Inspector General.

Mr. Yada sent for one of the clerks and informed him that all personal belongings taken out of the office had to be submitted to scrutiny. He also stated that police had early arrived at the Custom House to prevent members of the staff from entering, but had withdrawn at Mr. Fukumoto’s request as the latter desired that the evacuation be carried out in an amicable manner.

*17th September.*—In the evening of the 17th September a telegram arrived from the Inspector General instructing me to do nothing with reference to Mr. Fukumoto’s demands.

*19th September.*—On Monday, 19th September, I informed Mr. Fukumoto that, acting under instructions, I was unable to comply with his demands. He advised me to take a more reasonable attitude as he was anxious not to have any unpleasantness, adding

that if we insisted on entering the Custom House, we would be regarded as intruders and that we would be treated as such. After some discussion, I persuaded him to arrange for the Police authorities to write me officially, notifying me that we would be regarded as "intruders" if we persisted in entering the Custom House. He also agreed not to take any action preventing the staff from entering their offices until after I had received the Police notification and been able to advise the staff accordingly.

*20th September.*—The following morning members of the staff came to the Dairen Club about 9 a.m. and informed me that the offices and the Staff Club had been locked against them. I immediately proceeded to the Custom House and interviewed Mr. Fukumoto. He told me that the Police were unwilling to communicate with me in writing and had informed him that as the Kwantung Government had published in the Official Gazette a notification recognising him as the Commissioner of Dairen Customs and the lawful custodian of all Dairen Customs property, he was fully entitled to call upon police aid to prevent "intruders" from entering Customs premises. Mr. Fukumoto added that, for the morning only, he would permit us to use the small waiting-room, but that if we insisted on returning in the afternoon, he would lock up the whole building and place an armed guard outside. I replied that in the face of his threat I would advise the staff to stay away. He then ordered me to hand over the keys. I stated that I was unable to do so without authority. At this he showed great annoyance and remarked that he would force me to give up the keys on the spot.—It might be mentioned that at the time of the interview there were a number of plain-clothes police and Japanese "tidewaiters" in the corridor outside the Commissioner's Office.—I pointed out that the keys were not on my person. He directed that I should immediately fetch them. I reiterated that I could not hand them over without authority. He then stated that he would have my bedroom searched and all my communications, both telegraphic and mail, stopped, and would take any other means he thought fit to force me to give up the keys. I begged him to allow me to communicate again with the Inspector General before taking any action. He refused on the ground that I would probably utilise the interval in effectively disposing of the keys beyond recovery. I solemnly promised that I would not do so. He would not listen. Finally, after another quarter of an hour's argument, he agreed to accept my verbal promise, calling Mr. Yada in to witness it. He then released me from his office. After dispersing the staff I wired the Inspector General.

A telegram in reply was received from the Inspector General the same evening. The telegram instructed me to invoke the protection of the local authorities under the terms of the Dairen Customs Agreement of 1907.

*21st September.*—I called at the Civil Administrator's Office, but found that he was out of town for the day.

*22nd September.*—At 9 a.m. on the 22nd September Mr. Nakamura called on me and stated that Mr. Fukumoto wished to know what I was going to do about the keys. I replied that I was on my way to visit the Civil Administrator, after which I would be wiring the Inspector General, so could as yet make no statement.

At 10.30 a.m. I called on the Civil Administrator, Mr. Takeguchi, and requested him to prevent compulsion being used in order to force me to hand over keys entrusted to my care, at the same time drawing his attention to the terms of the Dairen Customs Agreement. He appeared most annoyed when he discovered the object of my visit and did not wish to discuss the question. However, I refused to leave his office until I had received some sort of tangible answer. After a half an hour's discussion, I elicited the following: that, if I wished protection for private property, I should apply to the police, but that if it was a question of Customs property, I would have to approach General Muto, the Governor of the Kwantung Leased Territory, who was then in residence at Moukden.

I immediately wired the Inspector General the result of my interview.

From this day onwards, I was left in peace and no more was heard about the keys.

It was a known fact that the Japanese authorities were worried about the amount of adverse publicity in connection with the methods employed in the seizure of various Manchurian Custom Houses and that they were anxious to avoid a repetition of similar publicity. It so happened that my call on the Civil Administrator coincided with the visit to Dairen of a British cruiser and some foreign press correspondents. This may have been a possible reason that no further steps were taken in order to obtain possession of the keys.

#### PART 5: EVACUATION OF THE STAFF AND CONCLUSION.

*Evacuation of the Staff.*—On the 23rd September telegraphic instructions to evacuate the staff were received from the Inspector General. The evacuation was carried out without difficulty, although

inconveniences, resulting from our eviction from the Custom House and the seizure of the Customs records, were encountered. However, thanks to the co-operation of the Chefoo Customs, who supplied us with scales for mileage allowance, etc., all payments, in accordance with Circular and other instructions, were made to the staff before their withdrawal.

The bulk of the staff left in early October, while those in the Accountant's Office remained on a month or so longer. I myself continued to stay in Dairen until recalled to Shanghai by Inspector General's telegram of the 7th February 1933.

*Informants' Fees and Seizure Rewards for Cases Settled during September Quarter 1932.*—In October claimants for informants' fees visited me. Also, I received a written demand from some Japanese ex-Customs Officers for payment of seizure rewards. I ignored the letter. I told the claimants for informants' fees to apply at the Custom House. At the Custom House they were referred back to me. The question was submitted to the Inspector General, who instructed that informants' fees should be issued, but that seizure rewards to disloyal Customs employees were to be withheld.

*Conclusion.*—In concluding my report, I would like to express my great appreciation of the conduct of the staff generally during the difficult period between the seizure of the Customs Administration on 26th June and their evacuation from Dairen in October. It speaks volumes that, out of the fifty-seven Service-Listed members of the Chinese staff of whom twenty were local employees, there were only two defections, both being Ho-shui-yüan. It might be added that the local staff, both Service-Listed and non-Service-Listed, were offered one month's extra pay as bonus to join "Manchukuo."

The majority of the staff had no duties to perform beyond reporting at the Office daily.

As next in seniority to myself, I naturally had to rely for assistance in many matters on Mr. Chou Chin Chêng, 2nd Assistant, B. Also, as Accountant, Mr. Chou proved himself very efficient. In this respect, he was ably assisted by Mr. Li Kuang-tsu, 3rd Clerk, A, and Mr. Mu Chung Hsin, 4th Clerk, A. The accountancy work in connection with the evacuation of the staff and the final closing of the June Quarter Accounts were carried out in Mr. Chou's residence. The Accountant's staff lacked vouchers, but managed to devise their own with sheets of paper.

Mr. Peng Tsing Kai, 4th Assistant, B, proved a useful Intelligence Officer.

As former Head Desk Clerk in the General Office and, therefore, *au fait* with the routine of that office, it fell to Mr. Wong Ho Man, Chief Clerk, B, to make several trips into the camp of the enemy. Thanks to his great tact and discretion in dealing with the Japanese, he was able to obtain much useful data from the records in the General Office.

Mr. Li Tsung-han, 3rd Clerk, A, was an efficient interpreter, and his services as such were much in demand during the early days, when addresses by myself and others were being made to the assembled staff.

The disloyal staff who had defected on the 26th June had already received their pay for the whole month of June. Mr. Fukumoto was paid to the 24th June, the date of his dismissal.

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ENCLOSURE No. 6.  
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No. 1900.

I.G.

LUNGCHINGSUN (SHANGHAI), 27th August 1932.

SIR,

I have the honour to enclose my final report upon the events leading up to the seizure of the Customs establishments at Lung-chingsun and Hunchun by the "Manchukuo" Authorities.

I have, etc.,

A. G. WALLAS,  
*Acting Commissioner.*

INSPECTOR GENERAL OF CUSTOMS,  
SHANGHAI.

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REPORT FOR INSPECTOR GENERAL ON EVENTS  
LEADING UP TO THE FORCIBLE SEIZURE OF  
THE LUNGCHINGTSUN AND HUNCHUN CUSTOMS  
ESTABLISHMENTS BY THE "MANCHUKUO" AUTHO-  
RITIES ON THE 29TH JUNE 1932; TOGETHER WITH  
AN ACCOUNT OF THE SEIZURE AND SUBSEQUENT  
HAPPENINGS.

1. EARLY MANIFESTATIONS OF ANTI-CUSTOMS PROPAGANDA  
AND MOVEMENT.

The great preponderance of Koreans amongst the local population in the Chientao (Kanto) district has for some years past been the undivulged excuse for fostering surreptitiously—and at times even openly—an active anti-Chinese Customs movement in this area. No revision or change in Customs procedure; no enforcement of revised tariffs or new rules has been secured without protest from the Japanese Authorities and, in certain instances, without obviously inspired opposition. Alleged Korean dissatisfaction with increased tariffs and with what was described as oppressive Customs procedure and practice has been used frequently by the *Min-hui*—the Korean Residents' Associations—throughout these districts as the key-notes of opposition to the Customs and it has been encouraged for the deliberate purpose of keeping this spirit of opposition alive. The Japanese Consular Police, whose *personnel* and posts have been largely increased during the past three years following on so-called communist-bandit activities by Koreans against Koreans, have been active in interfering with the administration of the Chinese Customs, ostensibly on behalf of "oppressed" Koreans. A frequent reply to representations made to the Japanese Consular Authorities in these matters has been that an injustice is perpetrated on Korean residents in the Chientao district by the Customs in levying heavy duties on Japanese and Korean goods which are not payable by their compatriots living a few miles to the south and east across the Tumen River in Korea. This absurd and untenable argument has been advanced to me on many occasions and the fact that Manchuria is Chinese territory was conveniently ignored.

This subversive propaganda and movement has been assisted by an active press campaign, both in Lungchingsun and in Northern Korea, during the past three years, which culminated in May 1932 in a series of virulent attacks upon me personally. The object behind these activities was the embroilment of the Customs with the Korean population to the point which would admit of Japanese intervention.



## 2. EARLY SIGNS OF INTERFERENCE WITH THE CHINESE CUSTOMS ADMINISTRATION IN LUNGCHINGTSUN AND HUNCHUN.

In March 1932 it was reported in Lungchingsun that the "Manchukuo" Authorities were preparing to "take-over" the Customs Administration. The authority of the "Manchukuo Government" had been proclaimed in Lungchingsun on the 9th March and in Hunchun on the 11th. The Customs continued to fly the Chinese National flag and this—according to the press—was much resented. In the middle of March the Superintendent notified me that the N.E. Administrative Committee (東北行政委員會) had appointed a Japanese named Miyamoto (宮本元槌) to be his adviser. Another named Uchida was appointed in a similar capacity to Hunchun. Some five Japanese in all formed the party organised to lay plans for the forcible seizure of the Chinese Customs establishments in both places if, by other means, they should be unsuccessful in obtaining control of them. Very soon after their arrival they called unofficially upon various members of the Customs staff, invariably Japanese, in Lungchingsun and Hunchun, to whom information was given of what their plans were. This was designed presumably to create a feeling of general insecurity. There is no doubt that, at this time, they were not prepared to take over and administer the Customs establishments. Their objects were to frighten the staff, create a state of insecurity, and thereby gain support and sympathy for themselves. They appear to have believed that the Chinese staff as a whole would realise that opposition was hopeless and that their best move would be to take service under the "Manchukuo" Authorities. In May 1932 the Adviser in Lungchingsun went so far as to tell the Shang Fu Chü Chang that he could vouch for the Japanese staff in the event that an immediate move was made to "take-over," and that he (the Chü Chang) must secure the support of the Chinese, which would be most easily achieved by instigating a revolt against me.

## 3. ARRIVAL OF CHIENTAO EXPEDITIONARY FORCE OF JAPANESE ARMY.

The local Japanese inhabitants had been agitating for the despatch of Japanese forces into the Chientao area ever since the Moukden Incident of the 18th September 1931. The presence of a large number of Japanese Consular Police, who were strongly reinforced during the period January, February, and March 1932, when most of the local Chinese troops, and especially those who followed the banner of Wang Te-lin, who was the Tu'an Chang in

command at Wang-ch'ing Hsien until early February, revolted against the authority of "Manchukuo," was considered by the Japanese Consul General to be a sufficiently numerous force for the protection of Japanese lives and property and he declined under the penalty of much personal unpopularity to accede to the clamour for the despatch of troops. The activities of Wang Te-lin and other "rebels" and the strength of the military faction in the political arena in Japan caused the military authorities in Korea to press for the despatch of an Expeditionary Force to suppress these people who were characterised as "bandits" or "irregular troops," and the 3rd and 4th April witnessed the arrival of the first contingents of this force. However popular its arrival may have been in Chientao, its departure from Korea was not viewed with general favour. The expense of equipping it and keeping it in the field was and is met by a levy of 10 per cent on the salaries of all Korean Government officials, Japanese and Koreans alike.

The result of the appearance of this Expeditionary Force was an immediate increase in the number of "bandits" operating in the district. Conditions got progressively worse. Aeroplanes were imported to cope with the guerillas, and the whole of the district was given up to disorder. "When the Japanese marched in, peace marched out." Customs functions were interfered with by the military in several cases and no satisfaction was ever accorded to protests lodged with the Japanese Consular Authorities against these outrages.

The conditions of banditry made it impossible to carry on at all points, and during April 1932 the first cases occurred of the necessity for withdrawing staff and closing up certain of the frontier Customs Stations in the S.W. region of the Chientao district.

#### 4. THE FIRST ACTIVE STEPS TOWARDS INTERFERENCE WITH REVENUE COLLECTION AND REMITTANCE.

On the 5th April 1932 Miyamoto, the local Adviser, called upon Yü Yüan Tung—the Chinese cash shop through whom we remitted dollar revenue funds to Shanghai—and enquired whether they banked Customs revenue. They replied that they did not. Reports from Hunchun, dated the 16th April 1932, pointed to similar activities on the part of the Adviser there. He had stated that he would shortly call upon the Assistant-in-Charge there to hand over all revenue except the funds necessary for running the establishment. If these demands were refused, he would either use force or establish an independent Custom House. Rumours of the

intended activities of these Advisers were rife but, as there was little doubt that they were then unprepared to take over, to staff and administer, the Lungchingsun and Hunchun Customs establishments, it is probable that the object of these statements and acts was the creation of a greater sense of insecurity, particularly amongst the staff.

#### 5. KOREAN ANTI-CUSTOMS MOB AND DEMONSTRATION ON 26TH MAY 1932.

A virulent local press campaign against me on the part of the "Kanto Shimbun" was waged during the month of May which culminated in the publication on the 25th May of a manifesto alleged to have been issued by the Kanto Koreans Anti-Chinese National Government Society, in the final paragraph of which was a definite incitement to Koreans to kill me. On the morning of the 25th May handbills were scattered through the village calling upon 500,000 Koreans to rise and protest against the Customs and all its works at a mass meeting to be held on the Recreation Ground that morning at 9 a.m. This meeting finally resolved to form a procession and demonstrate at the Custom House; to demand the removal of the Chinese National flag, and the abolition of all Customs duties. The Japanese Consular Police were present in large numbers and when the procession was suggested reserves were called up and the meeting of 1,500 Koreans was dispersed. It is clear, however, that their plans had apparently been carefully laid. Some 400 of the demonstrators, after the dispersal of the meeting, gathered in a mob from streets and houses in the vicinity and proceeded in a body to the Custom House at 12.50 p.m. Chinese and Japanese police and gendarmes quickly mounted guards over the gates of the compound and declined to allow them to enter. At the urgent request of the Chief of the Japanese Consular Police, the Chinese National flag was lowered from the flagstaff, as he feared a violent attack on the Custom House unless this were done. The demonstrators then demanded admittance to the compound and an interview with me. The police declined to allow a general entry and selected some 30 of them who were permitted to pass the police cordons. They were ushered into the Examination Shed under a guard of Chinese police and gendarmes and a message was sent to me. (I had left for tiffin at the usual hour). On my arrival at the Custom House a lengthy interview took place, at which they put to me certain demands, most of which were quite preposterous. Generally speaking, these demands were rejected and a long discussion concerning the international responsibilities of the Chinese

Customs ensued. It was explained that the question of Customs control in Manchuria was entirely a political issue, and that it could not possibly be settled in a remote spot like Lungchingsun. After an hour and a half the deputation took its departure seemingly satisfied for the moment. The leader of the demonstrators was a professional agitator from Keijo (Seoul).

On the 28th May another deputation of Koreans—only one of whom had taken an active part in the demonstration of the 26th—called upon me at the Custom House. They presented the following demands: that the Customs be abolished (it was explained later that this meant that they desired “Manchukuo” control of the Customs); that no more revenue be remitted to Shanghai; that only the old 5 per cent duty be collected; and that all surtaxes and Flood Relief Surtax be abolished. My refusal of their demands was carefully explained and they departed promising to report those explanations to, and do their best to soothe the feelings of, their compatriots.

The excitement subsided almost as quickly as it arose and there were no further incidents of this nature. Nothing of the sort occurred in Hunchun. Investigations into the causes of this demonstration go to prove that dissatisfaction with the Customs administration was not actually at the bottom of it. From reliable sources it was learnt that it was in part a protest against the importation of “military stores” which were not military stores, but ordinary merchandise under that guise which was put up for sale by Japanese shopkeepers to the detriment of the Korean traders who were allowed no part in this irregular procedure. The intention behind the affair was to cause complications between the Customs and the Japanese Consular Authorities and Police through the use of violence, and to frighten us into flight and the closure of the Custom House, when no one would pay any duty and all, consequently, would be on the same footing.

The Japanese Adviser to the Superintendent, Miyamoto, was careful to go to the Shang Fu Chū while this demonstration was in progress and ask the Chū Chang to assure me that he had had no part in the instigation of it!

#### 6. EVENTS IMMEDIATELY PRIOR TO THE FORCIBLE SEIZURE OF THE LUNGCHINGTSUN AND HUNCHUN CUSTOMS ESTABLISHMENTS ON THE 29TH JUNE 1932.

The first definite step towards the ultimate forcible seizure of the Customs in Lungchingsun and Hunchun was the presentation of an official despatch—a “ling”—from the Minister of Finance of

"Manchukuo" to me by the Superintendent in person at 3 p.m. on the 22nd June 1932, when the Superintendent accompanied by two armed guards—one of whom was posted at the door of my office—paid an official call. This despatch called upon me to cease forthwith the remittance of Customs revenue to Shanghai; it stated that foreign obligations secured on the Customs would be respected; that frequent negotiations with the Inspector General and the Nanking Government regarding control of the Customs by "Manchukuo" had failed; that in future revenue was to be collected by and deposited with the Lungchingsun branch of the Kirin Kuan Yin Hao; and that if these instructions were disobeyed, adequately effective measures would be applied, etc., etc. No reply in writing was made to this communication. A discussion followed, the gist of which was that the orders of the "Manchukuo" Authorities could not be accepted or obeyed. The Superintendent informed me that his instructions were that, in the event of my refusal to accept these orders, he was to telegraph to Changchun; and he was then afraid that force would be applied as a means of enforcing them. He said that "Manchukuo Government" instructions had been issued to the Bank of Chosen putting a ban upon all Customs funds lodged there in current accounts. A vigorous protest against such illegal orders to the Bank was entered but without avail. His responsibilities in communicating to the Chinese Customs orders from an internationally unrecognised state and government, which conflicted with Customs obligations towards international creditors, was explained to him; but he declined to listen. He was informed that a telegraphic report of what had passed would be made to the Inspector General.

At 11 a.m. on the morning of the 22nd June an individual calling himself an employee of the Kuan Yin Hao had come to the Lungchingsun Custom House and stated that he had been deputed to collect Customs revenue. As he had no credentials, he was requested to retire and did so. When the Superintendent called later he was informed of this and requested to arrange that the visit was not repeated. He replied that he had nothing to do with the matter. The Kuan Yin Hao employee did not make a second appearance.

This incident was the first indication that any immediate interference with Customs functions would be attempted.

As a result, and as the possibility of interference with Customs funds in the Bank of Chosen could not be ruled out, application was made to the Bank, on the 22nd June, to transfer the balances in Customs Revenue and Flood Relief Surtax Accounts to a personal

"No. 2 private account." After initial acceptance of my application the Manager obstructed the attempt to protect national revenues by informing me in writing that under instructions from his Head Office in Keijo (Seoul), following upon orders received from the "Manchukuo" Authorities, he was compelled temporarily to withhold ordinary banking facilities from me. He returned my cheques unpaid and declined to transfer the funds.

On the morning of the 23rd June a verbal protest, which was later confirmed in writing, was entered with the Bank Manager against his admittedly illegal action.

On the 23rd June the Manager of Yü Yüan Tung, a Chinese cash shop through whom we made remittances of our dollar revenue funds to Shanghai, informed me that, on the 22nd, he had received instructions from the Superintendent to cease giving remittance facilities to the Customs.

The Superintendent paid another call during the afternoon of the 24th June. He enquired whether any reply had been received from the Inspector General, and when he was told that there was none he implied, rather pointedly, that delay or further refusal to obey "Manchukuo" orders would mean my eviction from the Custom House and the impressment of the staff. This information was transmitted to the Inspector General.

Telegraphic instructions regarding protest against the forcible seizure and collection of revenue and the demands of the "Manchukuo" Authorities were received from the Inspector General on the 26th June, and they were transmitted to the Superintendent at another interview with him on the 28th June. He called at 2 p.m., accompanied by two armed guards, one of whom was again posted at the door of my office, and after a lengthy discussion, during which he displayed great anger, he left with the parting shot that the "Manchukuo" Ts'ai-chêng Pu would depute officials to supervise the Lungchingsun and Hunchun Customs establishments as from the 30th June. This referred, no doubt, to the seizure of the Custom Houses, plans for which had obviously been laid and were carried out on the following day.

Half an hour later the Superintendent was back again; he agreed to consultation with the Inspector General on certain points connected with the assumption of responsibility by the Kuan Yin Hao for collection of revenue at all stations on the frontier—an argument which he had previously rejected; but, he stated, the Kuan Yin Hao would begin to function in the Lungchingsun Custom House on the 30th June, whatever reply was received from

the Inspector General. Furthermore, he said that the ban on Service Account funds in the Bank of Chosen would be lifted, but before any opportunity to use those funds arose the ban was reimposed on the 29th June.

In the meantime access to official current accounts in the Bank of Chosen was still denied me and as, on the morning of the 27th June, it was discovered that the Manager had received no reply to his telegraphic request to his Head Office for further instructions, a letter of protest against the Bank's illegal action was written and presented to the Japanese Consul General. He promised to intervene and reply on the 28th June. His reply was dated the 19th July 1932, and it informed me that he did not consider that the Manager of the Bank of Chosen, in temporarily withholding banking facilities from me, under orders of the "Manchukuo" Authorities and at the request of the Customs Superintendent, had acted illegally.

7. THE FORCIBLE SEIZURE OF THE LUNGCHINGSUN AND HUNCHUN  
CUSTOMS ESTABLISHMENTS ON THE 29TH JUNE 1932  
BY THE "MANCHUKUO" AUTHORITIES.

At 10.30 a.m. on the 29th June the Superintendent, accompanied by 15 armed guards, of whom 11 were posted round the Custom House, and 4 were brought inside, arrived in my office. He informed me that telegraphic orders had been received from Changchun instructing him to take over, by force if necessary, the Lungchingsun and Hunchun Customs establishments, as had already been done at every other Manchurian port. He demanded the surrender of the Custom House, all funds, properties, archives, etc., and that I vacate my position and office. He stated that Miyamoto, his adviser, had been appointed Acting Commissioner of Customs. These demands were all refused. Armed police then appeared in my office, pistols were drawn, and the Superintendent said that, unless I submitted, I should be forcibly evicted. In the face of this display of *force majeure* there was no alternative but to submit to this seizure under protest. The Superintendent informed me that instructions had been sent to the Hunchun Magistrate to act in a similar manner there. He then called in Miyamoto, who was accompanied by his secretary, Konno, and introduced him to me as the Acting Commissioner of Customs. Again he requested that the Custom House and all appertaining thereto be handed over to Miyamoto. This was refused; and it was pointed out to him that forcible seizure put the matter of "handing-over" beyond discussion. He was informed that I was prepared to discuss with him what was

necessary in order to provide for the staff, and other administrative questions. He informed me that for the time being we should all be permitted to occupy our quarters, but he hoped that they would be vacated as soon as possible. He guaranteed a free choice to every member of the staff—whether to remain under the orders of the Inspector General or to join the new regime. The Superintendent left shortly after 11 a.m., after having hoisted the “Manchukuo” flag over the Custom House, saying that he was flying to Tunhua at 11.30 a.m. *en route* for Kirin. I warned the staff that the Custom House had been forcibly taken out of my control; that they were to cease work and await further orders. All members of the transferable staff, with the exception of four of Japanese or Korean nationality, remained loyal. After considerable delay telephonic communication was established with Hunchun and it was ascertained that similar happenings had occurred there, but that all transferable members of the staff were loyal.

At 4 p.m., on the 29th June, Miyamoto asked to see me. His manner was truculent and most unpleasant. He demanded all Customs archives, inventories, properties, etc. These demands were refused. He then demanded that signed cheques be handed to him for the balances to the credit of all Customs current accounts with the Bank of Chosen in return for access to Service Account funds in that Bank, subject to his counter-signature on my Service Account cheques. This demand was rejected and the interview terminated.

The forcible seizure of the Hunchun Customs was effected at 11.30 a.m. on the 29th June when the Hunchun Magistrate, his K'o-chang, the Chief of Police, Uchida, the Superintendent's adviser there, with a number of assistants and a body of armed and unarmed Chinese police, visited the Custom House. The same procedure as had been practised at Lungchingsun was gone through and ultimately, in the face of a display of arms, Mr. W. A. Mackenzie, the Assistant-in-Charge there, was compelled to submit to the forcible seizure of the Custom House. The transferable staff remained loyal to the orders of the Inspector General in spite of considerable pressure which was exercised by Chinese and Japanese officials alike to induce them to serve “Manchukuo.”

After we had been evicted from both the Lungchingsun and Hunchun establishments telegraphic report was made to the Inspector General. He was informed that the Chinese Customs could no longer function at all, that living conditions in both places were most disagreeable, and it was recommended that the earliest possible evacuation of the staff was advisable.



## 8. EVENTS SUBSEQUENT TO THE SEIZURE OF THE LUNGCHINGTSUN AND HUNCHUN CUSTOMS ESTABLISHMENTS.

From the 1st July onwards conditions of life were most unpleasant both in Lungchingtsun and Hunchun. Anti-Customs and anti-foreign feeling prevailed, particularly amongst the Japanese and the Koreans, and the atmosphere in both places was hostile and intimidating.

Several demands were addressed to me, notably on the 2nd, the 4th, and the 5th July, for the surrender of archives, title-deeds, plans of properties, bank-books, etc., but they were all rejected. Mr. Mackenzie, Assistant-in-Charge at Hunchun, reported that he was living, as were most of the other members of the staff, under constant police surveillance; and that he was apprehensive of a raid on his house with the object of securing possession of the archives. Ultimately—partly as the result of a news paragraph concerning the raid on the house of the Antung Commissioner for that purpose—and partly because of an intimation which reached me through Mr. I. Ando, a former Customs Assistant who had taken service under the "Manchukuo" Authorities, that Miyamoto, the usurper, had received definite orders from Changchun to carry out a similar raid on my house and secure them—all the archives, except the S/O correspondence and others of a confidential nature which had been destroyed during the nights of the 1st and 2nd July because of a warning which reached me through reputable Korean sources that a raid would be attempted, were burnt in the furnace of the Commissioner's House on the 16th, the 17th, and the 18th July. The Hunchun archives were destroyed there at the same time.

With regard to my current accounts in the Bank of Chosen, demands were made on several occasions that I should close them and pay over the balances to the "Manchukuo" Authorities. These were consistently rejected.

On the 12th July, following receipt of the Government's telegraphic instructions through the Inspector General that the staff was to be withdrawn informally if the Customs could not function normally, the Inspector General's definite instructions regarding withdrawal were sought. Local conditions were becoming worse and Mr. Mackenzie had reported from Hunchun that the staff there were being intimidated and threatened with eviction.

Definite instructions to evacuate transferable Service-Listed employees by the safest route to Tientsin for orders were received from the Inspector General on the 14th July. Arrangements were made to secure the funds which had been remitted to me for this

purpose, and to remit a portion of them to Hunchun. Through the kindness and co-operation of Mr. D'Alton, the Postmaster, this was done by means of insured letters forwarded in a specially sealed bag which was delivered in Hunchun to Mr. Mackenzie personally. Staff evacuation proceeded during the days from the 15th July onwards until the 21st, so far as the Lungchingsun staff was concerned; all members with the exception of Mr. Nee Kyan-tsoo, Secretary and Accountant, who remained in Lungchingsun until I left, were got out in safety. The Hunchun staff got away on the 21st July, and Mr. Mackenzie, the Assistant-in-Charge there, left on the 22nd. Prior to evacuation from Hunchun Mr. Mackenzie had found it necessary, on the 14th July, to send Mr. Tung Chi Yen, 3rd Class Tidewaiter, to Lungchingsun. This employee had received orders on the 10th from the Hunchun local authorities to quit the place "as the Japanese were displeased with his conduct." This displeasure was the result of Mr. Tung's refusal to serve under the "Manchukuo" Authorities and, in the opinion of Uchida, the Superintendent's adviser there, this refusal was the more serious because Tung knew all about Frontier Administration. On arrival in Lungchingsun Mr. Tung was compelled to submit to a rigid search of himself and his baggage and a close questioning by Japanese troops and gendarmes accompanied by several Korean plain-clothes men and interpreters. Representations were made to the Japanese Consulate General, through the Shang Fu Chü, against this treatment but no satisfaction, beyond a message from the Consulate that they had no further concern with the case, was ever accorded.

The safe evacuation of the staff was reported to the Inspector General on the 24th July, and instructions regarding my destination were requested.

During the period from the 25th to the 30th July the Chinese Post Office in Lungchingsun was "taken over" by a Japanese named Yamamoto from Changchun.

On the 30th July the Inspector General's telegraphic instructions for me to proceed to Shanghai were received and, on the morning of the 3rd August 1932, Mr. Nee Kyan-tsoo, my wife, and myself departed from Lungchingsun.

ALEC. G. WALLAS,  
*Acting Commissioner (on Special Duty).*

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
26th August 1932.

ENCLOSURE No. 7.

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No. 967.

I.G.

CUSTOM HOUSE,

SHENYANG, 24th August 1932.

SIR,

I have the honour to report that on the 22nd August the Shenyang Customs was seized under the following circumstances. Early in the morning it became obvious that seizure was imminent, as plain-clothes detectives were stationed at the office gate. I therefore prepared a document of protest (*vide* Appendix No. 1) to hand to the invaders on their arrival. At 9.30 a.m. police appeared and surrounded the Customs compound (which has been under watch for some time past), and at 10.30 a.m. a party of Japanese and "Manchukuo" officials arrived, accompanied by several armed guards, and entered the Custom House. With Mr. Huang Hanguang, my Secretary, I met them at the door and asked their business—finding that their leader was Ozawa, Japanese Adviser to the Newchwang "Superintendent." He replied that they had come to take over the Customs office and property, which were now to appertain to "Manchukuo." His sentences were interpreted to me in English. He went on at considerable length, saying that, since on the occasion of the seizure of the Newchwang Customs I was found to have removed a great many of the archives to a British rented house, he considered me to have been very detrimental to "Manchukuo." I replied that I had only done my duty and would continue to do it. I then handed him the written document already referred to, in which I asked him to refer the seizure of this Customs to his superiors, as there is no revenue concerned (at Newchwang their plea was that the Customs was being seized because the revenue is paid by the people of Manchuria—against which I had protested at that time), and such confiscation would make a bad impression on world opinion. He waved this aside and ordered me to hand over the property and keys. I refused peremptorily, as this is a violation of the rights of the Republic of China. He then, saying that my reply was insulting to "Manchukuo," called forward two "Manchukuo" police, who covered me with their pistols. I had then no course but to yield to this armed *force majeure*. After the office had been searched he said he would proceed to my residence to search for documents, and told me that I must remove immediately. I objected that this was unreasonable, as time should be allowed for packing our personal effects. To this no reply was made, and

I went, still at the pistol's point, to my house in the compound, and entered the room where I had had important documents stored for some time. They were then removed to the office, which was locked up. The compound has since been guarded by police, and until the afternoon no egress was permitted. Police will be stationed at the gate from now on, and they even patrol the garden.

My protest against this outrage is recorded in Appendix No. 2. The Staff (one Clerk and six Miscellaneous Out-door Staff employees) are detained under *force majeure* against which I have protested (*vide* Appendix No. 2), and Mr. Huang, whose behaviour has been very exemplary, has himself protested in writing against his detention (*vide* Appendix No. 3). The whole Out-door Staff with one exception have informed me that they are unwilling to join the New Customs, and are anxious to be transferred to other ports, which I strongly recommend.

The Service Account balances, as at Newchwang, have not been interfered with, and I have retained my cheque-books and all moneys—in cash or in the Hongkong and Shanghai Bank, with a small amount in the local Bank of China.

I appealed to the British Vice-Consul in charge for assistance, and through his kind offices with the authorities concerned reasonable time will be given me to pack up our personal effects and clear up. I have also reported the seizure and my protest to the British Consul General (who returned from short leave yesterday).

I have, etc.,

N. R. SHAW,  
*Deputy Commissioner in Charge.*

THE INSPECTOR GENERAL OF CUSTOMS,  
SHANGHAI.

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## APPENDIX NO. 1 TO SHENYANG DESPATCH NO. 967/I.G.

MOUKDEN, 22nd August 1932.

TO THE OFFICIALS IN CHARGE OF SEIZURE OF MOUKDEN  
CUSTOM HOUSE AND PROPERTY.

This office has never collected nor produced any Customs revenue, and has been merely, since its beginning, a diplomatic and educational post. It is the property of the Republic of China, and you cannot adduce any reasoning that it has been paid for by the people of Manchuria (which was the reason given to me for taking over the revenue at Newchwang—against which I protested strongly at the time).

Seizure of this office and house will make a very bad impression on the world, and I therefore appeal to you to refer the matter once again to your superiors, so that this action may not take place.

N. R. SHAW,  
*Deputy Commissioner in Charge,  
Shenyang Customs.*

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## APPENDIX NO. 2 TO SHENYANG DESPATCH NO. 967/I.G.

MOUKDEN, 23rd August 1932.

TO THE OFFICIALS IN CHARGE OF SEIZURE OF MOUKDEN  
CUSTOM HOUSE AND PROPERTY.

My written appeal to you of yesterday not to seize this office and property was met with your peremptory refusal. I then refused to hand them over to you but was compelled to yield at the pistol's point.

I have now to record my strongest protest against this violation of the property of the Republic of China, and also to protest against the forcible detention of my staff.

N. R. SHAW,  
*Deputy Commissioner in Charge,  
Shenyang Customs.*

## APPENDIX No. 3 TO SHENYANG DESPATCH No. 967/I.G.

MOUKDEN, 23rd August 1932.

TO THE OFFICIAL IN FORCIBLE CHARGE,  
CUSTOM HOUSE, MOUKDEN.

I am, hereby, to state that prior to the receipt of the instructions of Sir F. W. Maze, the Inspector General of C. M. C., I am for the present carrying on all the outstanding works merely under the directions of Mr. N. R. Shaw, my superior, and that your request, that my attendance to your office is required to-day, cannot be complied with as I now have no connection with the New Service of the Moukden Customs which had yesterday been seized by *force majeure*.

HUANG HAN-KUANG,  
*Deputy Commissioner in Charge's Secretary and  
Accountant, Shenyang Customs.*

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ENCLOSURE No. 8.

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No. 6525.

I.G.

CUSTOM HOUSE,

NEWCHWANG, 20th August 1932.

SIR,

1.—I have the honour to submit the following report on the seizure of the Newchwang Customs by the "Manchukuo" authorities.

2.—At 3 p.m. on the 27th June 1932, the so-called Superintendent Ma Chung-yuan (馬仲援), his Japanese Adviser, Ozawa (小澤茂一), and other staff suddenly appeared at the Custom House and entered the reception room. They were accompanied by some dozen armed police and had 50 others stationed all round the Customs Compound, barring all exits. I entered the reception room accompanied by Mr. Wu Hsou Yeh, my Secretary, and Mr. Ma then made a long speech, stating that, as the revenue in "Manchukuo" is paid by the people thereof, the Customs now belongs to them, and must come into their possession. The Japanese Adviser spoke at length to the same effect, and they both said that from that time onwards they were in possession. I protested vigorously against this outrage, and stated, in the very words of your telegram of the 20th February,

that the work of the Customs has international character, and that the revenue is mortgaged for the service of loans, both domestic and foreign. This had, however, no effect, as the "Superintendent" pointed out that his armed police were already in the office. Any attempt to resist would be met by force, so that I could only say that I had to yield to *force majeure*. Mr. Ma then actually asked me to summon my staff, so that he might persuade them to remain in his service. I refused, and left the reception room. I was then with several of the In-door Staff, when surrounded by armed police, asked to hand over all documents in the office. I informed the Adviser that documents were in my house, and he was about to send armed police to accompany me there, when he was reminded that the house was rented from a British landlord. Had the police accompanied me, it was my intention to proceed to the British Consul and appeal for protection; but on hearing that my house was extraterritorially protected the Adviser desisted. I remained in the office until 4.30 p.m., in order to protect the staff from violence, but none was offered then.

3.—At this time I went to my residence to send you a telegram; at the gate of the Customs a policeman attempted to detain me, but my British status enabled me to pass. My telegram No. 16 was sent to you the same evening, informing you, as I heard from the staff, that they were being forcibly detained until substitutes could be provided for them. Very few documents were actually captured at the office, as all of importance had been removed to my house during the preceding months (I have since sent most of them to you by secret means). But actual active coercion was used in the case of a shed coolie, who was arrested and imprisoned for some time (being handed over by the "Manchukuo" police to the Japanese gendarmerie) for attempting to take out an Examiner's copy of the Tariff. On the 28th June I protested officially in writing to Mr. Ma, as follows: "On the 27th June the Custom House was forcibly entered by yourself accompanied by armed police, and I was informed by you that the office was taken over by "Manchukuo." I had no option but to yield to *force majeure*, but I have now to record my official protest against this action violating the rights of the Republic of China. Pending instructions, I am meanwhile ordering my staff to continue functioning under present conditions of *force majeure*, but my action in so doing is without prejudice to whatever orders may later on be received from the Chinese Government."

4.—To this letter no reply was made, of which you were informed by my telegram No. 18, but on the 7th July your telegram No. 19 instructed me not to evacuate staff unless compelled to do so.

Finally, your telegram No. 20 conveying the Government's instructions to evacuate the staff informally if I could not operate normally was received on the night of the 11th July. In accordance with this I instructed the staff not to attend their duties on the 14th July, on which day the whole staff remained at their homes, whence they were forcibly conveyed by armed police to the office, having been also informed that police protection would be withdrawn from them in the event of refusal to go. One Tidewaiter, Mr. Wang Shih Fu (王世扶), was thrown into prison for refusal to work. This would have been the fate of all others; it needed several visits of the police, however, to force the staff to go to the office, which they did under armed guard. The Miscellaneous Out-door Staff were also forced to go, many of them being taken to a police station and reprimanded, with threats, for having remained at home. Though none of them were actually beaten, they have seen and heard of so much violence being done to Chinese here that they could not resist being forced to the office.

5.—On receiving information of this forcible action I instructed those who were in a position to do so, to do their best to escape from the port. But close watch was kept by police on their houses, and the landlords and neighbours were warned to give notice of any attempts to escape, and detectives were also stationed on the steamer wharves to watch for the staff going on board steamers. The attempt of Mr. Ernest August Tso (曹思桑), 2nd Class Tidewaiter, to leave, was detected, and he was promptly arrested and imprisoned for some time. It then became obvious that attempts to escape would be futile. The only successful effort was that of Mr. Chang Tsu Shao, 3rd Class Tidewaiter, stationed at Fuchowwan, who by my instructions, conveyed to him secretly, got away to Lungkow by junk. The staff was kept working under *force majeure* while substitutes were learning the work (in which only the merest formal help was given by the staff) until 30th July, when the whole Tidewaiter Staff was released, and since then almost the whole staff has been released. I have to detain Messrs. Wu Hsou Yeh and Pedersen to assist me in winding up the office.

6.—To sum up, armed force was displayed from the first, which it was impossible to resist; threats were continually used and the staff kept under constant police supervision after the seizure, while actual imprisonment took place for three "offences":—

- 1.—Conveying documents from the office;
- 2.—Refusal to work;
- 3.—Attempt to escape.



This acted as a deterrent to all the staff, who would equally have been arrested for the above "offences" had they committed them.

7.—As regards comparison with other Manchurian ports, I understand that at Harbin the office was first entered on the 26th, a Sunday. This gave the Commissioner ample time to warn the staff there not to attend office on the 27th, and their homes were not so easily known as in this small place. Again there is at Harbin a large and influential foreign community, besides a considerable Consular body, all of whom were in active sympathy with the Customs; the foreign Press correspondents had to be reckoned with too, full publicity being available. At Antung there was a large Japanese Staff available to carry on the work, so that the Customs Staff was not required, and, far from being retained, were removed from the Custom House by the "Manchukuo" officials. None of these conditions existed at Newchwang; the foreign community is small; there are only two consuls, no Press except Japanese or Japanese-controlled (they made many false statements about the seizure, which were much resented by myself and the staff), and, finally, there was only a Japanese staff of three members (all of whom gave me their verbal resignation from the Customs, as reported to you in my telegram No. 15), so that our staff had, from their point of view, to be retained until substitutes could be obtained. I may add that these substitutes are of poor quality and remain very ignorant of Customs procedure. It is our confident hope that the day is not so distant when the Maritime Customs will reopen here, and the humiliation which we have suffered be wiped out.

I have, etc.,

N. R. SHAW,

*Acting Commissioner, temporarily.*

THE INSPECTOR GENERAL OF CUSTOMS,  
SHANGHAI.

No. 6528.

I.G.

CUSTOM HOUSE,

NEWCHWANG, 10th November 1932.

SIR,

1.—With reference to my despatch No. 6525:

Informing you of the seizure of the Newchwang Custom House in spite of my vigorous protests, on the 27th June 1932, by the Japanese Adviser to the so-called Superintendent, the "Superintendent" himself, and a party of 60 armed policemen of the puppet state, my ejection from my office, and the retention under *force majeure* of the staff; also that I had presented to the so-called Superintendent a written protest against the seizure in violation of the rights of the Republic of China, and had informed him that, under your instructions, I was retaining my staff at work, without prejudice to my further action; also that on the 14th July, when I had instructed my staff to withdraw from further duty at the Custom House, they had been forced by the local police, after many previous threats, to proceed to work under armed escort, while their landlords and neighbours had been ordered to inform the police if any of them attempted to leave the port, several attempts to do so or to refuse work having resulted in the arrest of my staff concerned:

I have now the honour to report further developments of the position until my departure from the port by steamer to Shanghai on the 18th October 1932, under medical certificate, after having finished all the winding up of affairs connected with the Customs service.

2.—As regards the staff, their release from work under *force majeure* was effected gradually, beginning with the Tidewaiter staff, most of whom were evacuated from the port on the 30th July, having been provided with passages to Tientsin or Chefoo as instructed by you. The staff were paid their salaries for July before leaving, and those members of the In-door and Out-door Staffs who were forcibly compelled to remain at work in August were issued pay for that month. I must emphasise that the staff, under armed restraint, working for the puppet state, performed their duties in the most perfunctory manner possible, with the result that the staff of the "New Customs" learned their duties in a very poor manner, and that the office work was carried out in a very confused way, resulting in a large falling off of revenue and the

commission by merchants of many offences which could not be detected by the ignorant and uninformed "new staff." In this connection it is of interest to mention that the police of the puppet state, when forcing my staff to proceed to duty, informed them that they themselves were Chinese, in sympathy with our *personnel*, and reluctantly compelled by threats to force them to go to work—an illuminating commentary on the Japanese statements that the so-called "Manchukuo" people are pleased to belong to the new state.

We were saved from the humiliation of seeing the National flag hauled down from the Customs flag-staff by the friendly action of the Chinese Chief of Police of Newchwang, who privately warned me that on a certain day this would be done. On that day I therefore flew the Customs Jack and it was interesting, as proving the anti-Japanese sentiment of the whole people, to observe the interest taken by the crowds in the, to them, new flag, which they believed at the time to be that of the League of Nations protecting the Customs.

All the In-door and Out-door Staffs, with the exception of the Miscellaneous Out-door Staff, were gradually released and proceeded to their new ports during August, though I retained my Tidesurveyor and Secretary, to assist me in winding up until my own departure. Concerning the Miscellaneous Out-door Staff, out of a total number of 76, 18 only were subverted into joining the new Customs—men of poor character and low capacity, whose services can be of small value to their subvertors. The remaining 58, whose names were duly reported to you, were gradually released—some of them not until the middle of September. When the pensions benefits, as sanctioned by the Government, were received, I duly paid off these faithful men, taking receipts from them as instructed, and giving them testimonials so that those who desired might seek re-employment at other ports.

3.—As regards (a) archives, I am gratified to be able to inform you that, from March onwards to the very day of seizure, I had been transferring all important documents to my house, where I carefully guarded them, and gradually shipped them piecemeal to Shanghai. Their removal from Newchwang was a matter of difficulty and danger, and very great credit is due to Mr. A. Pedersen, Tidesurveyor, B, and to the boatmen who acted under his orders, for their secretly placing the archives on board Messrs. Butterfield & Swire's steamers, for removal. Until he left the port Mr. Lo Tat Man, Boat Officer, rendered great assistance in this matter by, on one occasion when 15 packages were shipped, distracting the attention of the Japanese Tidewaiter while Mr. Pedersen hurried the archives—and some valuable carpets—on board. Thus all vital

archives were saved. (b) Furniture.—The furniture in the Commissioner's rented house has been also kept from the predatory hands of the invaders, having been secretly stored in British godowns or with my personal friends who kindly came forward to assist the Customs. This was done as far as possible under cover of darkness, and was not discovered. It was, of course, impossible to ship furniture (with the exception of the above-mentioned carpets) to Shanghai, as large articles would have been traced by the Japanese detectives and lost to the Customs by seizure, while our men would have been severely punished. In the case of the old and miscellaneous furniture, I have, with your sanction, sold it to buyers at the best price available. Lists of all this furniture—stored or sold—have been deposited with the Audit Secretary.

I cannot conclude this statement about archives and furniture without bringing to your attention the very valuable help rendered by Mr. Grant, Manager of the Newchwang Office of Messrs. Butterfield & Swire, who was most assiduous in offering and giving assistance in carrying away Customs property, at very considerable risk to himself—for discovery would have led to disagreeable treatment by the New Customs.

Concerning revenue, there is only to be added that the Bank of China's claim (*vide* my despatch No. 6514) was reduced by me to about *Sh.Tls.* 20,000. For his work in this connection, Mr. Liu E Lo, Assistant, deserves the highest commendation. Also owing to my constant pressure on the Manager of the Yokohama Specie Bank and my convincing him at length that his Bank would be treated with contempt by all honest bankers, he finally refunded the sum of *Hk.Tls.* 186,003.04 so illegally detained.

I wish, in conclusion, to call attention to the good work performed by my Secretary, Mr. Wu Hsou Yeh, Clerk, whose services have been invaluable, Mr. Tan Chi Lin, Clerk, Accountant, who was retained until mid-August by force, confused the new employee whom he was forced to instruct, so that the new Customs Accounts system must be very faulty and inadequate.

The final accounts are now being wound up at the Inspectorate General, and will be presented, completed, to the Audit Secretary very shortly.

I have, etc.,

N. R. SHAW,

*Acting Commissioner.*

THE INSPECTOR GENERAL OF CUSTOMS,  
SHANGHAI.

ENCLOSURE No. 9.

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No. 3508.

I.G.

CUSTOM HOUSE,

ANTUNG, 5th July 1932.

SIR,

I have the honour to inform you that on the 28th ultimo at 10 a.m. the Superintendent, accompanied by his Japanese Adviser, Sakikawa, called on me at my office in the Custom House and demanded that I hand over control of the Antung Customs to the "Manchukuo" Authorities. Upon my explaining that I could not do so the Adviser said he had no option but to use force. I still declined to hand over, whereupon the Adviser called in two Japanese in the uniform of officers of the "Manchukuo" Frontier Police (滿洲國游動隊). They formally demanded that I hand over. Upon my again refusing they brought in a file of four Japanese in the uniform of "Manchukuo" Frontier Police and paraded them before my desk with fixed bayonets.

I then said that as I was not in a position to resist such a show of force I would hand over, but under protest and with the reservation that the action I was taking did not apply to the Railway Zone, where I would continue to function. The Adviser's reply to this was that he considered he was taking over the entire Customs establishment in Antung.

I further have to report that on the morning of the 30th ultimo the Japanese Adviser mentioned above called at the Commissioner's House in the Japanese Settlement and by a second display of force compelled me to hand over practically all the Customs archives which had previously been removed from the Custom House to my residence. Upon my pointing out the illegality of such an extraordinary proceeding, the probability that it might cause a serious international incident, and inquiring if he had the authority of the Japanese Consul for thus operating in the Railway Zone, the Adviser said he was acting under orders of "Manchukuo" and was prepared to ignore the Consul in the matter and all possible consequences of his action.

In the middle of this incident I sent Mr. N. Pedder, Examiner, B, to the Japanese Consulate next door to report that armed "Manchukuo" Authorities were in my house and requesting his protection. The Consul was reported to be absent, but an interview was secured with the Vice-Consul who said he had no authority to act without instructions from the Consul.

Upon my refusing to relinquish control of the functions of the Customs in the Railway Zone acts of intimidation were perpetrated against the staff on duty therein, three Tidewaiters were arrested in the Zone by "Manchukuo" Police and removed to a jail in the Chinese town (they have since been released), armed "Manchukuo" plain-clothes guards were stationed in the General Office at the Railway Station, the Customs signboards there were removed and "Manchukuo" boards put up in their place, a proclamation was posted outside of the door of that General Office to the effect that if the staff did not cease work there certain measures would be taken to compel them to do so, etc.

In the above connection I am appending for your information copies of the following correspondence:—

- (1) Letter from the Superintendent, dated the 26th June, stating that instructions had been received from the "Manchukuo" Ts'ai-chêng Pu to take over the Customs at once and that I was to act accordingly.
- (2) My letter to Superintendent of 26th June, in reply, acknowledging the receipt of his letter and saying I would refer the matter of handing over to you for instructions.
- (3) Protest to the Superintendent, dated 29th June, against the action of the "Manchukuo" Authorities in forcibly seizing the Custom House.
- (4) Despatch No. 328 of the 29th June to local Japanese Consul informing him that under pressure of *force majeure* I had handed over control of the Custom House, that I reserved, however, the right to continue functioning in the Railway Zone and asking for protection of the Customs within the Zone.
- (5) Despatch No. 329 of the 30th June to Japanese Consul notifying him that certain documents had been removed from the Commissioner's House within the Railway Zone by the "Manchukuo" Authority, after a display of force, and protesting against such action.
- (6) Despatch No. 330 of the 30th June to Japanese Consul protesting against the unrestrained and illegal actions of the "Manchukuo" Authorities in the Railway Zone and stating that if he could not guarantee the safety of the staff before 9.30 p.m. I should have to withdraw them under protest.

- (7) My letter of the 30th June to the Japanese Consul, written after receiving his verbal assurances that the incidents I complained of would be put a stop to, to the effect that I would postpone withdrawing the staff.
- (8) My despatch No. 331 of 2nd July to Japanese Consul protesting against the placing of "Manchukuo" sign-boards at the Customs and asking that they be removed.
- (9) Identical despatch sent to the American, British, French, and German Consul Generals at Moukden on the 30th June to the effect that I had handed over control of the Antung Customs outside the Railway Zone after employment of *force majeure* by the "Manchukuo" Authorities.

Up to now I have received no replies to my communications to the Japanese Consul.

In due course I shall submit a more detailed statement of the forcible seizure of the Custom House and the archives in the Commissioner's House. In the meantime I trust that my action, as reported above, has your approval.

I have, etc.,

R. M. TALBOT,  
*Acting Commissioner.*

THE INSPECTOR GENERAL OF CUSTOMS,  
SHANGHAI.

APPENDIX No. 1.

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監督來函

逕啟者六月二十五日奉

滿洲國財政部總長電開安東關孫監督電海關問題終歸決裂仰貴官速向各機關取聯絡將海關完全接收可也現在於海關服務職員對滿洲國總誓必要出於忠誠現在本人地位待遇（便恩西要）（即恩俸）均照舊保證之滿洲國將關稅官吏人員採用之意旨均公表之並仰迅速遵照辦理具報勿稍延誤爲要等因奉此相應函請

查照辦理希速見復爲荷此致

安東關稅務司鑒

Antung despatch No. 3508/I.G.

滿洲國大同元年六月二十六日



## APPENDIX No. 2.

稅務司覆監督函第四四號

逕覆者案准本月二十六日

台函以關於海關問題現奉滿洲國財政總長電令飭仰從速完全接收所有現時服務職員務必出於忠誠均一律採用其一切恩俸待遇皆照舊予以保證而公表之等因轉行來關囑為查照速覆准此查此事非稅務司職權所能決定擬即電達

總稅務司查核轉報俟奉回電再行函達相應先行具覆即希

查照為荷此致

安東關監督孫

安東關署稅務司鐸博賚

Antung despatch No. 3508/I.G.

中華民國二十一年六月二十六日

## APPENDIX No. 3.

稅務司致監督函

逕啟者本月二十八日准日員崎川顧問以奉滿洲國財政部總長命令帶同武裝士兵來關強制接收安東海關全部關務敝署稅務司當經一再據理抗辯而該顧問竟悍然不顧不惜以武力相挾制當時

貴監督亦曾蒞場目覩經過情形按海關稅款爲一部分外債擔保其中實含有國際關係應請貴監督注意敝署稅務司處此萬難抵抗強制武力之下除將安東總關一部分關務先行交出外爲此嚴重抗議相應函請

查照即希向滿洲當局提出爲荷此致

安東關監督孫

安東關署稅務司鐸博賚

Antung despatch No. 3508/I.G.

中華民國二十一年六月二十九日

APPENDIX No. 4.

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*Copy of Acting Commissioner's despatch No. 328, dated 29th June,  
to the Antung Japanese Consul.*

SIR,

I have the honour to inform you that on the 28th instant the "Manchukuo" Authorities, acting through the Office of the Superintendent of Customs, compelled me to hand over charge of the Customs by the use of armed force, which I was not in a position to resist.

As the Customs revenue is largely pledged as security for foreign loans, including those of Japan, I consider that you should be informed of what has just occurred in order that you may notify your Higher Authorities.

At the time of the seizure just reported I was informed by Mr. Sakikawa, Adviser for the Superintendent of Customs and, presumably, speaking for the latter, that it was also his intention to seize the Customs Sub-offices inside the Railway Zone at Antung if I did not voluntarily hand over.

I replied that the taking over of the Customs in the Japanese Railway Zone was quite a separate question from that of the control of the Customs outside of that Zone, and were I to hand over the Stations inside the Zone, without first consulting the Japanese Authorities concerned, serious international questions might be raised.

I have accordingly to request what your attitude will be in the matter if the "Manchukuo" Authorities attempt to seize Customs Stations within the Railway Zone. At the same time, in view of the forcible action taken by the "Manchukuo" Authorities at the Custom House, as reported above, I would request you to afford every protection to those of the Customs Staff working and/or living within the Railway Zone in the regular performance of their duties.

I have, etc.,

R. M. TALBOT,  
*Acting Commissioner of Customs.*

K. YONEZAWA, ESQUIRE, ETC.

APPENDIX No. 5.

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*Copy of Acting Commissioner's despatch No. 329, dated 30th June,  
to the Antung Japanese Consul.*

SIR,

I have the honour to inform you that at 10 o'clock this morning, Mr. Sakikawa, "Manchukuo" Adviser to the Superintendent, accompanied by several Japanese in ordinary dress, claiming to be "Manchukuo" police, arrived at my house and demanded that I hand over certain Customs archives of a confidential nature.

I replied that I could not do this without the authority of the Inspector General. Mr. Sakikawa then said he was prepared to use force if necessary. I enquired if he had your authority to thus enter the Japanese Settlement with armed "Manchukuo" police and, further, to enter the private residence of a foreigner and compel his acquiescence to certain demands by the display of weapons. His reply was to the effect that he had his orders from the "Manchukuo" Government and was not concerned with what you or the Japanese Authorities in general had to say in the matter.

After several suggestions as to compromises on my part, all of which Mr. Sakikawa refused, revolvers were displayed as evidence that force would be used if I continued to refuse the demands that were being made. As I considered that my life was thus endangered I had no option but to yield. In doing so I warned Mr. Sakikawa that if he persisted in such an illegal act he might cause an international incident of far-reaching effect. Again he appeared to have no concern in the possible consequences of the action he contemplated. I might mention here that at one time during the proceedings my house was entered by a policeman in uniform, armed. Also that my entire compound, despite the fact that it adjoins yours, was surrounded by plain-clothes Japanese and Chinese.

After yielding I despatched Mr. N. Pedder, an employee of British nationality on my staff, to your Consulate to inform you that my house had been occupied by armed men claiming to be "Manchukuo" police who were forcibly removing property and that I required Consular protection. Mr. Pedder was informed that you were absent, whereupon he secured an interview with Mr. Kasahara, your Vice-Consul. The latter is reported to have said that he had no authority to act in such matters and would have to await your

return. This was about 11.30 a.m. The last box was not removed until 2.30 p.m. Up to 5 p.m., I have heard nothing from your Consulate in answer to my appeal for your assistance and protection.

Before referring this matter to the different Authorities to whom I must report, I must request you to thoroughly investigate the most unheard-of proceedings I have related above. At the same time I beg to be advised with the least possible delay as to what assistance I may expect from you in securing satisfaction for what has just occurred and what assurance you can give me that it may not be repeated.

I have, etc.,

R. M. TALBOT,

*Acting Commissioner of Customs.*

K. YONEZAWA, ESQUIRE, ETC.

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APPENDIX No. 6.

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*Copy of Acting Commissioner's despatch No. 330, dated 30th June,  
to the Antung Japanese Consul.*

SIR,

I had the honour to inform you that yesterday the "Manchukuo" Authorities had compelled me to hand over control at the Custom House by the use of armed force and, in view of this, requested your protection for those of the Customs Staff working and/or living within the Japanese Railway Zone in the regular performance of their duty.

In my communication previous to this I reported that my house had been entered by armed "Manchukuo" police and certain confidential archives forcibly removed, and though I had reported to your Consulate that such illegal action was proceeding and appealed for assistance, none was rendered.

I am informed this afternoon that three of my Chinese staff in uniform and on duty in the Railway Zone were arrested by "Manchukuo" police therein and forcibly removed from the Settlement by the same police and lodged in a jail in the Chinese town, where they are still held. I am further informed that during the day armed representatives of the "Manchukuo" have been stationed in the Customs Office at the Railway Station presumably with the knowledge of the Settlement Police.

In view of these circumstances I do not feel that I can longer maintain my staff on duty in the Railway Zone unless I have your assurances that they will receive due protection. If I withdraw them, I wish it to be understood that my action is forced by considerations of their safety and that I reserve the option of returning them to duty in the Railway Zone as soon as certain elements operating therein are brought under control by Japanese Authorities.

I must make dispositions of my staff for tomorrow before 9.30 tonight, and failing to receive satisfactory assurances from you for their safety by that hour I shall temporarily withdraw them from duty in the Railway Zone.

I have, etc.,

R. M. TALBOT,

*Acting Commissioner of Customs.*

K. YONEZAWA, ESQUIRE, ETC.

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APPENDIX No. 7.

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*Copy of Acting Commissioner's letter to the Japanese Consul at  
Antung, dated 30th June 1932.*

DEAR MR. YONEZAWA,

With reference to my letter of this afternoon saying I must give orders to my staff to withdraw from the Railway Zone if I did not get assurances from you as to their safety, I have now decided on more mature consideration to wait for a short time and see if conditions do not improve in view of the negotiation now in progress with Japan as an intermediary. I trust that in the meantime no serious incident will occur.

Yours truly,

R. M. TALBOT,

*Acting Commissioner of Customs.*

K. YONEZAWA, ESQUIRE, ETC.

## APPENDIX No. 8.

*Copy of Acting Commissioner's despatch No. 331, dated 2nd July,  
to the Antung Japanese Consul.*

SIR,

With reference to my despatch No. 328 of the 29th ultimo:

Informing you that I had been compelled by *force majeure* to hand over control of the Custom House to "Manchukuo" Authorities but that I had made a reservation that I could not hand over control of the Customs in the Railway Zone without first learning the attitude of the Japanese Authorities concerned:

I have the honour to inform you that the "Manchukuo" Authorities have removed the regular Chinese Maritime Customs signboards at the Customs Offices at the Railway Station and have substituted their own as follows:—

滿	安
洲	東
國	滿
海	洲
關	國
鐵	海
路	關
分	事
卡	務
辦	所
事	
處	

As this action would imply that control of the Customs in the Railway Zone had been assumed by the "Manchukuo" Authorities, I beg to request whether the action as reported was taken with your knowledge and, if not, to ask that you have the new boards removed and the old ones restored.

I have, etc.,

R. M. TALBOT,

*Acting Commissioner of Customs.*

K. YONEZAWA, ESQUIRE, ETC.

APPENDIX No. 9.

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*Copy of Acting Commissioner's identical despatch sent to the  
American, British, French, and German Consul Generals  
at Moukden on 30th June 1932.*

SIR,

I have the honour to inform you that on the 28th instant the "Manchukuo" Authorities, acting through the office of the Superintendent of Customs, compelled me by *force majeure* to hand over control of that part of the Antung Customs functioning outside the Japanese Railway Zone.

I have, etc.,

R. M. TALBOT,  
*Acting Commissioner of Customs.*

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No. 3509.

I.G.

CUSTOM HOUSE,  
ANTUNG, 16th July 1932.

SIR,

In continuation of my despatch No. 3508:

Informing you of the forcible taking over by the "Manchukuo" Authorities of that part of the Customs having jurisdiction outside of the Railway Zone and, later, of the seizure by force of the Customs archives in the Commissioner's residence in the Railway Area, and forwarding copies of correspondence with the Japanese Consul, the Superintendent, and myself in the above connection:

I now have the honour to append translation of the Japanese Consul's despatch No. 18 of the 4th July, in reply to my despatches Nos. 329 and 330 to him, copies of which were appended to the above-mentioned despatch to you.

In this reply of the Consul's, he states that he was absent at the time of the forcible removal of the archives from my residence, that Mr. Sakikawa, Adviser to the Superintendent, admitted that he



had resorted to force on that occasion, that he had obtained the release of the three Customs Officers arrested in the Railway Zone and a pledge from the "Manchukuo" police not to violate the administrative rights in that area in the future.

I append a copy of my despatch No. 337 of the 9th July, in reply to this despatch of the Consul's requesting that, inasmuch as he had secured from Mr. Sakikawa an admission that the latter had used force in the removal of the archives, he should demand their prompt return. I also requested a reply to my query in my despatch to him, No. 328 of the 29th June, as to what his attitude would be if the "Manchukuo" Authorities attempted to seize the Customs Sub-offices in the Railway Zone.

I am now in receipt of the Consul's despatch No. 20 of the 11th July, translation appended, in reply to this last despatch of mine, in which he states (1) that he has protested to the Superintendent against the forcible removal of the archives from my house and the violation of the administrative powers of the Japanese Settlement, (2) that as the archives are now in the hands of the "Manchukuo" Authorities it is impossible to recover them, and (3) with regard to the attitude of the Japanese Authorities toward that of the "Manchukuo" Authorities in assuming control of the Customs in the Railway Zone, he had expressed his views to me verbally on several occasions and does not consider it necessary to reply further. It would appear as if the Consul was adverse to committing himself in writing on this important point. For your information I may say that he has told me verbally on several occasions that under no circumstances could the "Manchukuo" interfere with the Customs in the Railway Zone, but that on the 4th July he executed a *volte face* and told me that it was no concern of his who collected the Customs revenue in the Railway Area.

I have further to report, in the above connection, that I withdrew the staff from duty in the Railway Zone as from the 4th July under the following circumstances; I trust that you will consider they justify the action I took.

As reported in my above-mentioned despatch to you, at the time of the forcible seizure of the Custom House I announced to Mr. Sakikawa, Adviser to the Superintendent, that I was not handing over control in the Railway Zone as I considered that I could not do so without learning the wishes of the Japanese Authorities as an interested third party. Sakikawa maintained that the "Manchukuo" Authorities were then taking over complete control of the Customs establishment in Antung.

The Custom House was seized on the 28th June. By the 30th of June all employees of Japanese nationality had resigned and were serving the "Manchukuo." Many of them were stationed in the Railway Zone, so that a form of dual control existed. As I was hopeful that a compromise might be reached, and not being able to employ force to prevent it, I took no active steps to correct this anomaly.

The inevitable soon occurred, though I had issued a stern warning to the staff to give no cause for a misunderstanding with their former colleagues now serving the "Manchukuo." Second Class Tidewaiter Chi Chu Lan, who on several occasions during the past few months has caused me embarrassment by making trouble not only with outsiders but with his own colleagues in the Chinese Club by his truculent actions, gratuitously offended ex-Tidewaiter Goto at the Ferry Station by uncalled-for remarks. The latter mentioned the incident in his report book and about two hours later "Manchukuo"-Japanese police in plain clothes went to that Station (in the Railway Zone), apprehended two of our officers there and a third in the street outside, and escorted them to the Chinese town, where they were lodged in jail for obstructing the "Manchukuo" Customs. The three men arrested were not present at the time of the affront to Goto but were held as hostages for the production of Chi Chu Lan and three other Tidewaiters who had witnessed the incident. The next day, by the aid of ex-Japanese members of the staff, the three men were released and the incident closed, after threats by the "Manchukuo"-Japanese police of what would happen if there was any more "interference" of the kind. (The Japanese Consul also claims that he secured the release of the three men as having been illegally arrested in the Railway Zone.)

The Customs continued to function in the Railway Zone until the 4th July despite constant intimidation of the sort I have just mentioned. On that day these threats culminated in the arrest at noon in the Chinese town of six of the Chinese staff still serving in the Railway Zone and their incarceration in the "Manchukuo"-Japanese police headquarters until five of them signed statements that they would not again return to that area. The sixth, Mr. Yuan Fu-chang, Third Assistant, B, whose attitude throughout is deserving of special reward, refused to sign any such statement without my permission and was detained with the threat that he would be given three years' imprisonment. At the same hour as these arrests Mr. Second Assistant, A, Pu Lü Chung's home was invaded in his absence by four "Manchukuo"-Japanese policemen, who pointed

their revolvers at the head of Mrs. Pu, searched the house, and threatened to treat Mr. Pu most severely if he did not cease serving at the Railway Station.

On the afternoon of the same day those who were able to return to duty at the Railway General Office were intimidated by the presence in that office of several Japanese in plain clothes (whom I afterwards recognised as belonging to the Customs wrecking-crew), by notices illegally posted in that office threatening them with dire consequences if they continued to attend their duties there, and by the attitude of their former Japanese colleagues. So bad was the situation that I called on the Consul to protest against the presence of the "Manchukuo"-Japanese plain-clothes police in the Railway General Office and to insist on his protection of the Customs Staff there. He told me that he could not order the "Manchukuo" police out of the settlement unless they were armed or were using force and declared that the present question was one that did not concern him unless the peace of the area was disturbed. Chief Tidesurveyor W. Nash was present during this interview.

Realising that I was to get little support from the Consul I proceeded to the Railway Office, where I was informed by the Chinese staff that carriages were in waiting at the order of the plain-clothes police to escort them to the Chinese town as they left the office. I also found Mr. Assistant Pu detained in a Customs room off the General Office by these same gentry, who were trying to intimidate him. I at once secured his release. At 4.30 p.m., together with the Chief Tidesurveyor and Chief Appraiser, I accompanied the Chinese staff as they left the office. We were surrounded by Japanese plain-clothes men who ordered the Chinese into the waiting carriages, saying that they had instructions for them to report at the Superintendent's Office. I said I was in charge of the staff and told them to accompany me, whereupon they were forcibly pushed back by the Japanese. Seeing that a row in the street was probable, I returned with the staff to the office, where I called up the Consul and informed him that, contrary to his assurances, force was again being used by Japanese in plain clothes in the Railway Zone against my staff, and demanded protection. He sent a Vice-Consul, who said, on his arrival, that he was not to concern himself in what was being attempted beyond seeing that no force was used. After refusing to leave my staff and demanding that they be not further molested, I finally managed to secure their departure at 6 p.m.

My first thought was to take them to the Commissioner's residence in the Railway Zone, but on learning that they all had families in the Chinese town I told them to go boldly and at once

to the Superintendent's Yamên to find out what he wanted of them, and saying that I would wait at the Customs Club nearby for their report. They soon came to the Club and said that the Superintendent had stated that he knew nothing at all of what was wanted of them. It was then very apparent that they were to have been taken to the "Manchukuo"-Japanese police headquarters and forced to sign statements similar to those exacted from their five colleagues at noon. The Superintendent had suggested that, to save further persecution, they all sign such a statement. I refused to give them any such instructions and told them to go home and that I would let them know early the next morning if they were to go on duty.

That night I received warnings from various sources, including the Superintendent, that serious consequences would ensue, involving both foreigners and Chinese, if I attempted to place the staff on duty next day. Early on the following morning I called up the Consul, inquired if he had changed his attitude about the "Manchukuo" Customs functioning in the Railway Zone, and if he had any favourable news about a compromise of the question in general. On receiving his negative reply to both questions I told him that as I could no longer protect my staff from the illegal actions of the "Manchukuo" Authorities, I was temporarily withdrawing them from the Railway Zone and that he would receive a written protest from me.

This decision was reluctantly arrived at by myself and only after it became fully apparent that absolutely no protection could be had for the staff either in the Chinese town or the Railway Area.

By 9 a.m. I had sent my despatch No. 332 to the Consul informing him that despite his assurances which, I believed, were given in all sincerity, I did not consider that it was longer safe for my staff to function in the Railway Zone and that I was temporarily withdrawing without prejudice to the rights of the Chinese Customs in that Area. A copy of this despatch, dated the 5th July, is appended. No reply has been received.

On the 6th July I addressed a letter, 555/General, copy appended, to the South Manchuria Railway Company, calling on them to observe the terms of the Agreement between the Customs and themselves by virtue of which we operated at the Railway Station and demanding that the usurping "Manchukuo" Authorities be evicted from the Customs offices and other Customs property they had illegally occupied in the Railway Zone. On the following day they replied, translation of their confidential letter No. 15 appended, to the effect that as they were a powerless transportation concern I should look to other quarters for redress!

I further append a copy of an identical despatch I sent the American, British, French, and German Consul Generals at Moukden informing them that I had withdrawn the Customs Staff temporarily from the Railway Zone at Antung.

In conclusion I have to append copies of the following correspondence with reference to the demand that I evacuate Customs quarters:—

- (1) Letter from the Superintendent, dated the 4th July, ordering me to vacate Customs quarters within one week and that effective action would be taken if this were not done;
- (2) My reply to this letter, dated the 11th July, to the effect that I would not hand over the quarters, requesting that the "Manchukuo" Authorities on their part vacate such quarters as they had already occupied, and informing the Superintendent that I was taking up with the Consul the question of Customs quarters in the Railway Zone;
- (3) Copy of the Superintendent's reply to this letter, dated the 14th July, in which he is made to say, *inter alia*, that effective measures may have to be taken to compel me to vacate the quarters in the Railway Zone;
- (4) My despatch No. 338 to the Japanese Consul, dated the 11th July, stating that I expected an attempt at forcible occupation of Customs property in the Railway Zone by "Manchukuo" Authorities and asking him to take precautionary measures, etc.; and
- (5) Translation of the Consul's reply, despatch No. 21 of the 15th July, stating that the "Manchukuo" Authorities having promised not to employ force to occupy Customs property in the Railway Zone, he would see that they didn't, but that if the transfer takes place by peaceful methods, he will not concern himself with the matter. It remains to be seen what the Consul's definition of "peaceful methods" is.

I have, etc.,

R. M. TALBOT,

*Acting Commissioner.*

THE INSPECTOR GENERAL OF CUSTOMS,  
SHANGHAI.

APPENDIX No. 1.

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*Copy of translation of the Japanese Consul's despatch No. 18  
of the 4th July 1932.*

SIR,

I beg to acknowledge receipt of your letters, Nos. 329 and 330, dated 30th ult.:

Informing me that "Manchukuo" Authorities had used force in the Railway Zone in connection with the taking over of the Maritime Customs:

and, in reply, to say with regret that on that particular day I was away from Antung in order to meet the League's Commission who had happened to pass Antung and therefore I could not act at my discretion in the matter of which you wrote me. Upon my return to Antung on that night I tried at once to make an investigation of the affair referring to the parties concerned, but I failed to find their whereabouts and ascertain the facts, and therefore I lodged a strong protest with the Superintendent of Customs under cover of an official despatch demanding an explanation for the infringement of the administrative right in the Railway Zone, and further requested a guarantee for non-repetition of similar affairs in future. On the 1st instant Mr. Sakikawa, Adviser to the Superintendent of Customs, came to see me at the Consulate and made an explanation of the standpoint of "Manchukuo" Authorities as follows: (1) As regards the seizure of the documents from your official residence, he maintained that at first he had no intention of using force but hoped to receive them peacefully through consultation with you. However, you had refused his demand, and therefore he was compelled to use force under the existing circumstances at the time, and he felt very sorry that he could not find enough time to obtain my permission beforehand since the matter was of an urgent nature; and (2) With regard to the apprehension of certain Maritime Customs officers in the Railway Zone he said that the Superintendent of Customs had received telegraphic instructions from the Minister of Finance of "Manchukuo" to the effect that should any one dare to obstruct the performance of duty of "Manchukuo" Customs officers or to threaten or to instigate them in any way, a severe punishment might be inflicted upon the offender, and accordingly special attention was drawn to these instructions. When a few Chinese Maritime Customs officers were found to have been obstructing the performance of duty of "Manchukuo" Customs officers at the River-side (Ferry?)

Station in the Railway Zone, "Manchukuo" police tried to take them to the police station, but knowing that it had happened in the Railway Zone, the said three Maritime Customs officers who had been committing the said offence were accompanied to the boundary between the Railway Zone and the Chinese city, proceeding at their own free will, and were then arrested, being kept in custody. The police tendered an apology for the violation of the administrative right in the Railway Zone to me and pledged to take adequate measures in order not to repeat this sort of thing in future. Further, at my request, the said Maritime Customs officers were released at once by the police concerned, and the policemen (or policeman?) in plain clothes who were posted in the Maritime Customs Branch Office in the Antung Railway Station Compound were also withdrawn in compliance with my request.

Above described are all the steps I have taken in the matter of which you wrote me, and I hope you will take note of them.

I have, etc.,

KIKUJI YONEZAWA,  
*H. I. J. M's Consul at Antung.*

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#### APPENDIX No. 2.

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*Copy of Acting Commissioner's despatch No. 337 to the  
Japanese Consul.*

SIR,

With reference to my despatch to you, No. 329 of the 30th June 1932:

Protesting against the removal of certain documents from my official residence in the Japanese Settlement by Japanese "Manchukuo" Authorities who employed armed force:

and to your despatch No. 18 of the 4th July 1932, in reply:

Stating, *inter alia*, that you had investigated the incident of the forcible entry of my residence and had secured from Mr. Sakikawa an explanation of his actions and an admission that he had used force:

I have the honour to request you, in view of this admission, to demand of the Japanese subjects concerned the prompt return to me of all documents thus illegally seized within Japanese jurisdiction, and to ask you to take such further steps as seem called for.

In my despatch No. 328 to you of the 29th June 1932, I had the honour to inquire what your attitude would be if the "Manchukuo" Authorities attempted to seize the Customs Sub-offices within the Railway Zone. In the light of what has since transpired I would appreciate your early reply to this question.

I have, etc.,

R. M. TALBOT,  
*Acting Commissioner of Customs.*

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APPENDIX No. 3.

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*Copy of translation of the Japanese Consul's despatch No. 20  
of the 11th July 1932.*

SIR,

I have the honour to acknowledge the receipt of your letter No. 337 of the 9th instant regarding the seizure of Customs documents by "Manchukuo." Although Adviser Sakikawa is a Japanese, he is in the employ of "Manchukuo" and is entrusted with the task of co-operating with the Superintendent in all matters connected with the taking over of the Customs. The forcible seizure of documents in your house certainly infringes on the administrative powers of the Settlement. I have every reason to protest against it and as a matter of fact I have already protested.

The removal of Customs documents has only to do with an internal change in the control of the Customs itself, which I should not interfere with. As to the relation between the administrative power of the Concession and the matter of seizing the Customs, I have frequently explained the position to you verbally, so it is not necessary to reply to your letter No. 328 of the 29th June.



I beg to solicit your understanding with regard to the documents—that as they are now in possession of the “Manchukuo” Authorities it is impossible to recover them.

I have, etc.,

K. YONEZAWA,  
*H. I. J. M's Consul at Antung.*

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APPENDIX No. 4.

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*Copy of Acting Commissioner's despatch No. 332 to the Japanese Consul, dated 5th July 1932.*

SIR,

With reference to my despatch No. 328 of the 29th June 1932:

Informing you that the “Manchukuo” Authorities had taken over control of the Custom House by *force majeure*, that I had not handed over control of the Customs in the Railway Zone as I considered that were I to do so without first consulting the Japanese Authorities concerned serious international complications might arise, and calling on you for protection of the Customs Staff within the Railway Zone:

to my despatch No. 329 of the 30th June 1932, to the effect that:

Mr. Sakikawa, Japanese Adviser to the Superintendent, accompanied by several Japanese in plain clothes claiming to be members of the “Manchukuo” Frontier Police Force, entered the Commissioner's house in the Railway Zone and, despite my protests and warning of possible serious international complications, seized certain Customs documents after a display of force, and that an appeal to your Consulate had met with no response:

to my despatch No. 330 also dated the 30th June 1932:

Again mentioning the forcible seizure of the Custom House by “Manchukuo” Authorities, their forcible seizure of Customs documents in the Commissioner's residence in the Railway Zone, informing you that in

view of these incidents and the further fact that three of my staff had been arrested by "Manchukuo" police in the Railway Settlement and lodged in jail in the Chinese town, and that armed "Manchukuo" representatives were stationed in the Customs Office at the Railway, I felt that out of consideration for the safety of my staff I must temporarily withdraw them from duty in the Railway Zone and that I would do so at 9.30 p.m. unless I received satisfactory assurances from you that you could protect them:

to my letter of the same date:

Saying that in view of the negotiations now in progress for a solution of the Customs question in Manchuria I would retain the staff on duty for the time being, and hoping that no serious incident would occur in the meantime:

to my despatch No. 331 of the 2nd instant:

Informing you that the "Manchukuo" Authorities had removed the old Customs signboards at the Customs Sub-offices in the Railway Zone and requesting that, if this action had been taken without your knowledge, you have the new boards removed and the old ones restored:

and to your despatch No. 18 of the 4th July:

Informing me that you were away from Antung at the time of the incident at the Commissioner's house, reported in my despatch No. 329, and that you had taken steps to stop the illegal activities of the "Manchukuo" Authorities in the Railway Zone:

I have the honour to inform you that despite your assurances, the sincerity of which I have every reason to believe, I do not consider that due protection is being given to my staff in the Railway Zone by the Japanese Authorities against the activities of the "Manchukuo" Authorities in their efforts to suppress the Customs functioning therein.

I would recall the incident of yesterday afternoon at the Customs Office at the Railway Station when Japanese representatives of the "Manchukuo," some of whom I recognised as "Manchukuo" police in plain clothes, tried to forcibly compel the Chinese staff to go to the Superintendent's Yamên, allegedly on the orders of the Superintendent, this action only being prevented by the presence of myself and, later, of Mr. Vice-Consul Kasahara, whom you kindly

sent on my appeal for assistance. I may add that I later sent the staff concerned to the Superintendent's Yamên to request what orders there were concerning them and they were told that none had been issued. In view of the fact that five members of the staff had been arrested by the "Manchukuo" Frontier Police in the Chinese town earlier in the day and detained until they signed a statement that they would no longer work in the Railway Customs Office, I can only conclude that a similar fate would have been meted out to the balance of the staff at that office had I not most opportunely been present to prevent it.

Last night I received warnings from higher "Manchukuo" officials that if I attempted to place my staff on duty at the Railway Station again to-day most serious consequences would result to both foreigners and Chinese who attended.

In view of all that I have related and of the acute personal danger I consider my staff to be in, I have no option but to suspend, for the time being, the functions of the Customs in the Railway Zone, with the reservation that, in the absence of any expression of opinion from you as to the attitude of the Japanese Authorities in the matter, as requested in my despatch No. 328 to you, I consider that the Customs rights to function in the Railway Zone have not been impaired in any way.

At the same time I must inform you, if you have not already been informed by the "Manchukuo" Authorities, that yesterday they assumed full control, without my consent, of all Customs activities in the Railway Zone including the collection of duty and the passing of cargo. I beg to inquire if this action in the Japanese Settlement whereby Customs rights and property in the Railway Zone are arbitrarily confiscated by the "Manchukuo" Authorities has the approval of your Higher Authorities. At the same time I must strongly protest on behalf of my own Higher Authorities at what has been allowed to take place.

I am also writing the South Manchuria Railway in this matter to inquire if the agreement between that organization and the Customs whereby certain privileges were mutually exchanged has been abrogated and inquiring explicitly why space allotted to the Customs at the Railway Station is permitted to be occupied illegally by the "Manchukuo" Authorities.

I have, etc.,

R. M. TALBOT,  
*Acting Commissioner of Customs.*

APPENDIX No. 5.

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*Copy of Acting Commissioner's letter No. 555/General of the 6th July  
to the South Manchuria Railway Company.*

SIR,

I beg to inform you that owing to the intimidation of the Customs Staff on duty in the Railway Zone by the "Manchukuo" Authorities, I have been forced to withdraw them from duty temporarily in that area, as from the 5th July 1932.

At the same time I have to place on record with you, as I have already done with the Japanese Consul, that this temporary withdrawal in no way impairs the rights of the Chinese Maritime Customs to function within the Railway Zone.

I have further to draw your attention to the Agreement between the South Manchuria Railway and the Chinese Maritime Customs by virtue of which the Customs have been functioning within the Railway Zone for many years, have erected buildings for office and residential purposes, and have been assigned office space in your buildings.

Without any apparent protest or action on your part you are permitting the "Manchukuo" Authorities to usurp all the functions of the Customs within the Railway Zone, to occupy our property therein and the space set aside in your buildings for Customs use under the terms of our mutual Agreement.

I have to strongly protest against these illegal actions of the "Manchukuo" Authorities within the Railway Zone, to call upon you to observe all the terms of our Agreement, to request you to order those Authorities to cease all activities in that area which infringe on the rights of the Chinese Maritime Customs secured by that Agreement, and to ask you to direct them to restore all Customs property and interests arbitrarily confiscated.

A prompt statement from you, as a party to the Agreement still in force, regarding your attitude in this matter, is requested for reference by myself to the Inspector General of Customs.

Yours faithfully,

R. M. TALBOT,  
*Acting Commissioner of Customs.*

APPENDIX No. 6.

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*Copy of translation of South Manchuria Railway Company's  
letter No. 15 of the 7th July 1932.*

DEAR SIR,

I beg to acknowledge the receipt of your letter of 6th July and, in reply, to say that the only function of our Company is to endeavour to maintain the *status quo* in connection with public traffic and commercial transactions and it is nothing but a powerless transportation concern. Hence our Company has nothing to do with the recent question that has broken out in the internal affairs of the Maritime Customs and is really in a position not to be related with the matter. Therefore I beg to request you that you will consult with the relative quarters in connection with the various affairs mentioned in your letter under reply.

Yours faithfully,

KENICHI SAITO,

*Antung Station Master.*

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APPENDIX No. 7.

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*Copy of Acting Commissioner's Identical Despatch to the American,  
British, French, and German Consul Generals at Moukden,  
dated 6th July 1932.*

SIR,

With reference to my despatch of the 30th June:

Informing you that the "Manchukuo" Authorities, resorting to *force majeure*, had compelled me to hand over control of that part of the Antung Customs lying outside of the Railway Zone;

I now have the honour to inform you that, for reasons of the safety of my staff, I have temporarily suspended the Customs functioning in the Railway Zone in Antung as from the 5th July, at the same time protesting to the Japanese Authorities concerned against the irregular actions of the "Manchukuo" Authorities against the Customs in that area, and asserting that this temporary withdrawal in no way impaired the rights of the Chinese Maritime Customs to function therein.

I have, etc.,

R. M. TALBOT,  
*Acting Commissioner of Customs.*

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## APPENDIX No. 8.

照錄監督公署來函

逕啟者奉

滿洲國財政部支電開現在非滿洲國關員居住海關官舍者由本日起向一週間以內將該官舍騰

出倘有限期以內未能騰出者滿洲國即以最有效力且適當之措置着即宣佈等因爲此函祈

閣下速轉各該退職關員一體知照辦理爲荷此致

鐸博贊先生

安東關監督公署啟 七月四日

## APPENDIX No. 9.

照錄稅務司覆函

逕覆者案准

台函以奉滿洲國財政部支電開凡非滿洲國委任之關員居住海關官舍者由本日起限一週內騰出否則即出以最有效且適當之措置等因轉函前來囑即轉行各該退職關員一體知照准此查關於安東海關之官舍敝署稅務司曾奉有明令不得交付於滿洲國當局接收其在鐵路用地以內海關且具有維持官舍權業經敝署稅務司照會駐安東日本領事在案其在鐵路用地以外而坐落在華界現爲滿洲國當局委任之關員所居住之官舍擬請

貴監督函達滿洲國當局轉行各該關員知照速將該項官舍騰出是爲至荷准函前因相應函覆即希

查照施行至紐公誼此致

安東關監督孫

安東關署稅務司鐸博寶

Antung despatch No. 3509/I.G.

中華民國二十一年七月十一日



## APPENDIX No. 10.

照錄監督公署覆函

逕啟者茲准

閣下七月十一日覆函對於敝署所轉滿洲國財政部限令非滿洲國委任之關員居住海關官舍者務須於一週內騰出一案而

閣下以海關官舍奉有明令不能交付滿洲國接收且囑轉達滿洲國關員速將該官舍騰出等因敝署殊不滿意因想滿洲國於本年六月二十八日向

閣下接收海關時業已聲明同時務將海關之財產一併接收是該海關官舍已於同日歸滿洲國接收所有但彼時未肯即令遷出者因各退職關員雖暫居住不日離職他往即可騰出耳前既奉有滿洲國財政部電令非滿洲國委任關員不准居住限期騰出自應遵照辦理倘不騰出滿洲國將採取適當之措置亦未可定尙希

諒解至滿洲國委任之關員居住海關官舍者不論在附屬地內外均應遵令居住敝署不能轉令騰出致違功令相應函達

查照爲荷此致

前安東關稅務司鐸

安東關監督公署啟 七月十四日

APPENDIX No. 11.

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*Copy of Acting Commissioner's despatch No. 338/Official  
to the Japanese Consul.*

SIR,

I have the honour to inform you that I am in receipt of a letter from the Customs Superintendent, dated the 4th July, transmitting the instructions of the "Manchukuo" Minister of Finance to the effect that Customs Quarters must be evacuated within one week and that if this is not done effective measures will be taken to compel me to do so. I am replying that, acting under instructions, I will not hand over Customs Official Quarters to "Manchukuo" Authorities, and am requesting the Superintendent, at the same time, to demand the evacuation at once of such quarters as are now occupied by "Manchukuo" representatives in the Chinese town.

Although it is not expressly stated in the letter from the Superintendent that the quarters in the Japanese Settlement are also meant, I have no doubt but that, in the light of the irregular actions of the "Manchukuo" Authorities in the Railway Settlement, already the subject of official protest to you, they will attempt to occupy by force or otherwise Customs property in the area under Japanese jurisdiction.

In anticipation of an attempt on the part of the "Manchukuo" Authorities to illegally dispossess the Chinese Maritime Customs of its property rights under Japanese jurisdiction, I beg to request you to take suitable precautionary measures to see that no such action is taken without due process of law.

I would further register a protest with you against the illegal occupation of the Customs property at Liutaokow Station, of the Assistant's house in my compound, and of two stations at the Bridge Head by the "Manchukuo" Authorities, and to request that they be notified to vacate the property they have confiscated.

I have, etc.,

R. M. TALBOT,  
*Acting Commissioner of Customs.*

K. YONEZAWA, ESQUIRE, ETC.

APPENDIX No. 12.

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*Copy of translation of the Japanese Consul's despatch No. 21,  
dated 15th July 1932.*

SIR,

With reference to your letter No. 338, dated 11th instant, regarding taking over charge by the "Manchukuo" Authorities of the Customs property within the Railway Zone, I beg to state that there is no doubt but that the "Manchukuo" Authorities will not use any more force to take over charge of the Customs property within the Railway Zone seeing that they made assurance not to repeat similar action in future when I protested to them against the seizure of Customs documents by the "Manchukuo" Authorities. Whenever there is a sign of their using force again contrary to their pledge, I shall, of course, take necessary steps to prevent such occurrence within the scope of my power. But if the transfer of the Customs property takes place by a peaceful method having no effect upon the peace of the Railway Zone and no infringement of its administrative rights, I shall have nothing to do with it, considering it the natural outcome of minor changes of the Maritime Customs and, therefore, I am not placed in a position to comply with what you have requested in the last paragraph of your letter as above referred to.

I have, etc.,

K. YONEZAWA,  
*Japanese Consul.*

R. M. TALBOT, ESQUIRE, ETC.

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No. 3510.

I.G.

CUSTOM HOUSE,  
ANTUNG, 18th July 1932.

SIR,

In my despatch No. 3485 of the 7th June 1932 I had the honour to report, *inter alia*, that:

Acting on instructions from the "Manchukuo" Ts'ai-chêng Pu, transmitted to the local Bank of China by the Superintendent, that Bank had ceased to hand over the daily revenue collection to the Bank of Chosen for safekeeping and eventual remittance as in the past:

this change in procedure took effect as from the 16th April. From that date no more revenue was handed to the Bank of Chosen by the Bank of China but I kept the current revenue accounts open in the former bank by retaining small balances therein. Aside from stopping the transfer of the daily collection to the Bank of Chosen, the "Manchukuo" Authorities made no attempt to interfere with our moneys in that bank until the 16th June, exactly two months later.

On this latter date I received a communication from the "Manchukuo" Minister of Finance that all Customs revenue should be deposited in the Tung-san-sheng-kuan-yin-hao (東三省官銀號). At a subsequent conference in the Superintendent's Office on the same day the Superintendent stated that he had received similar instructions to the above but that Customs moneys (revenue only?), deposited in the Banks of Chosen and China, were specified.

To my surprise the Manager of the Bank of Chosen attended this meeting. I asked him if he had received such instructions also and he replied that he had. I then inquired if he intended to follow them and he stated that he saw no alternative. Upon my then asking if he did not consider that to do so would contravene all banking rules he made no reply.

As the instructions of the "Manchukuo" Ts'ai-chêng Pu did not appear to clearly differentiate between Service and Revenue moneys, at least those sent to the Superintendent did not, I explained to the Superintendent's Japanese Adviser who, and not the Superintendent, was responsible locally for what was being attempted, the manner in which Service accounts were fed and secured the Adviser's promise not to interfere with them, and I requested the Manager of the Bank of Chosen to take note of what had been arranged.

Not being at all satisfied with the attitude of the Manager of the Bank of Chosen I wrote him on the 17th June, copy of my letter 553/General appended, inquiring if he considered that there was to be any change in the understanding under which Customs accounts in his bank were originally opened. I sent Mr. Watanabe, Deputy Commissioner, to the Bank of Chosen with this letter to explain to the Manager, a man educated in Western banking methods, the seriousness of the action should a semi-official Japanese bank pay out money from Customs accounts to a third party without proper authorization. The Manager admitted that it would be quite wrong and said that he had been informed by his Head Bank at Seoul that the matter had been referred to the Tokyo branch of the Bank of Chosen, where the question would be discussed with the Japanese Foreign Office and the Ministry of Finance.

I received no reply to the letter I sent, mentioned above, but I learned a day or so later that instructions had been received by the bank to pay out no money from Revenue and Service Accounts either to the Customs or "Manchukuo" for the time being.

On the 23rd June two cheques on Service Accounts were dishonoured on presentation at the Bank, and on the 24th I sent a second letter, 554/General, copy appended, protesting against such an occurrence as interference with the functioning of the Customs in Antung and forwarding the two cheques for payment. The next day I received a reply from the Manager, of which a copy is appended, saying that he was negotiating with the Superintendent, asking me "not to draw other cheques until the inevitable affairs are avoided," and again returning the two dishonoured cheques without payment.

On the 6th July, copy of my letter No. 556/General appended, I sent a second strong protest to the effect that if the Bank of Chosen continued to refuse to honour my cheques on Customs accounts, or if any Customs moneys lodged with that bank were unauthorizedly paid out to a third party, I reserved the right, on behalf of my Higher Authorities, to institute legal proceedings. At the same time I gave a list of the Customs balances held as on the 30th June.

It should be explained, however, with reference to Antung Customs Official Account (Sycee), with Bank of Chosen, Marine Account (Sycee), with Bank of Chosen, and Antung Customs Official Account (Gold Yen), with Bank of Chosen, the balances in which are shown to be *Chenp'ing Tls.* 17,914.88, *Chenp'ing Tls.* 2,144.55 and *Gold Yen* 1,521.21 respectively, that cheques were drawn on these accounts at the end of June for June pay and handed to the

Bank of China for encashment, that I am informed the Adviser to the Superintendent advanced from revenue the amount of these cheques to the Bank of China and that he still holds them for presentation to the Bank of Chosen at a future date. As these cheques have been drawn and are still outstanding it may be said that, in a way, the balances for the three accounts just mentioned should read as follows:—

<i>Antung Customs Official Account (Sycee):</i>	<i>C.P. Tls.</i>
Balance per pass book on 30th June . .	17,914.88
Less salary cheques uncashed . . . .	13,840.70
	<hr/>
Balance as shown in Customs Account . .	4,074.18
	<hr/>

<i>Marine Account (Sycee) :</i>	<i>C.P. Tls.</i>
Balance as per pass book on 30th June . .	2,144.55
Less salary cheque uncashed . . . .	323.05
	<hr/>
Balance shown in Customs Account . .	1,821.50
	<hr/>

<i>Antung Customs Official Account (Gold Yen) :</i>	<i>Gold Yen.</i>
Balance as per pass book on 30th June . .	1,521.21
Less salary cheques uncashed . . . .	248.00
	<hr/>
Balance shown in Customs Account . .	1,273.21
	<hr/>

I refrain from comment on the extraordinary action of a Japanese semi-official Government bank, located in the Japanese Railway Zone, submitting to the dictation of a *de facto* government in the matter of the accounts of one of that bank's clients.

I have, etc.,

R. M. TALBOT,

*Acting Commissioner.*

THE INSPECTOR GENERAL OF CUSTOMS,  
SHANGHAI.

APPENDIX No. 1.

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*Copy of Acting Commissioner's letter No. 553|General to the  
Bank of Chosen, Antung.*

ANTUNG, 17th June 1932.

DEAR SIR,

From our conversation at the Superintendent's Office I did not get a clear idea of your present attitude toward the Customs accounts in your Bank. I should be glad if you would advise me if you consider there is to be any change in the understanding under which these accounts were originally opened.

Yours faithfully,

R. M. TALBOT,  
*Acting Commissioner of Customs.*

THE MANAGER,  
BANK OF CHOSEN, ANTUNG.

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APPENDIX No. 2.

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*Copy of Acting Commissioner's letter No. 554|General to the  
Bank of Chosen, Antung.*

ANTUNG, 24th June 1932.

DEAR SIR,

I wrote you on the 17th instant requesting information as to whether you considered there was to be any change in the understanding under which Customs accounts were originally opened with your Bank. Up to now I have had no reply to this letter.

I am now informed by my Accountant that cheques Nos. G. 07664 for *Gold Yen* 50 and G. 07801 for *Chenp'ing Tls.* 109.92 were dishonoured by you and returned without explanation.

I now formally present these two cheques, enclosed, either for prompt payment or a written explanation of your reasons for refusing to honour them. At the same time I must warn you that refusal

to cash these cheques will be construed by myself as an interference with the functioning of the Customs in Antung and will necessitate my laying the circumstances telegraphically before the Inspector General at Shanghai for instructions. I trust that you will not force me to adopt this measure.

Yours faithfully,

R. M. TALBOT,  
*Acting Commissioner of Customs.*

THE MANAGER,  
BANK OF CHOSEN, ANTUNG.

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APPENDIX No. 3.

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*Copy of letter received from the Bank of Chosen, Antung.*

ANTUNG, 25th June 1932.

MR. R. M. TALBOT, ETC.

DEAR SIR,

In replying of your favour 24th instant requesting the payment of your cheques, perhaps you are understand the reason that we are forced to stop the payments which we explained to Mr. Watanabe.

In our opinion these cheques will be honoured by the consent of the Superintendent, of the new Government of Manchuria to whom we are negotiating to be honoured your cheques in any circumstances and we are sincerely glad that you are kind enough to be understand, not to draw the other cheques until the inevitable affairs are avoided.

Yours faithfully,

For the Bank of Chosen,

T. SAKAI,  
*Manager.*

Two cheques are enclosed.



## APPENDIX No. 4.

*Copy of Acting Commissioner's letter No. 556/General to the  
Bank of Chosen, Antung.*

ANTUNG, 6th July 1932.

DEAR SIR,

With reference to my letter of the 24th June 1932:

Forwarding two cheques on Chenp'ing Taels and Gold Yen Accounts for payment, which had already been dishonoured by you, protesting against such action, and asking for an explanation:

and to your letter of the 25th June 1932 in reply:

To the effect that, in your opinion, the cheques in question will be honoured on the consent of the Superintendent of Customs of the new Government of Manchuria, and requesting that I not draw further cheques until the "inevitable affairs are concluded";

I have to register a further strong protest with you for refusing to honour cheques drawn on Customs accounts lodged with you and to warn you that your action as taken amounts to interference with the Customs Administration in Antung.

Further, I have to inform you that I reserve the right on behalf of my Higher Authorities, if you persist in refusing to honour my cheques on Customs accounts held by yourself or pay such moneys to a third party without the authorization of myself or the Inspector General of Customs, of instituting legal proceedings for the full recovery of all moneys belonging to the Customs and now held by you, and of the collection of damages that may lie as a result of your action.

The following is a list of the balances involved as shown in the Customs accounts and in the pass-books concerned of your bank as on the 30th June 1932:

Antung Customs Official Account .	(Sycee) C.P.Tls.	17,914.88
Marine Account . . . . .	„ „	2,144.55
Revenue Account . . . . .	„ „	60.91
Flood Relief Surtax Account . .	„ „	93.93
Famine Relief Surtax Suspense Account .	„ „	1,345.06

Surtax Suspense Account 1927 . . . .	C.P.Tls.	803.11
Special Duty Deposit Account . (Sycee)	„	4,963.92
„ „ „ „ . . . .	„	45,569.02
River Bund Maintenance Account (Sycee)	„	329.76
„ „ „ „ . . . .	„	2,676.04
Antung Customs Official Account . . . .	G.Y.	1,521.21
Bund Shed Account . . . . .	„	6,165.02

In addition to the above accounts it is noted that you have opened a new account for *Chenp'ing Tls.* 508.03 as representing the interest on Service and Revenue Chenp'ing Tael Accounts for the first half year of 1932. It is presumed that this has been done rather than to issue to me the usual cheque in Shanghai taels for such interest.

A copy of this letter of protest, together with copies of the correspondence that has passed between ourselves about this matter, is being referred to the Inspector General.

Yours faithfully,

R. M. TALBOT,  
*Acting Commissioner of Customs.*

THE MANAGER,

BANK OF CHOSEN, ANTUNG.

No. 3511.

I.G.

CUSTOM HOUSE,  
ANTUNG, 21st July 1932.

SIR,

With reference to my despatch No. 3485 of the 7th May 1932:

Reporting the visit of a delegate from the "Manchukuo"  
Ts'ai-chêng Pu and the resulting detention of all  
revenue collection in the Bank of China:

to my despatch No. 3489 of the 12th May 1932:

Forwarding copy of correspondence that had passed  
between the local Bank of China and myself with  
reference to the non-observance of the Agreement  
between the Bank of China and the Customs as a

result of that Bank deferring to the instructions of the "Manchukuo" Ts'ai-chêng Pu to retain all revenue in Antung:

I now have the honour to report that, contrary to my protests and acting on what is alleged to be the exercise of *force majeure* by the "Manchukuo" Authorities, the Bank of China transferred all revenue to the Tung-san-sheng-kuan-yin-hao (東三省官銀號) on the 19th June and continued thereafter to deposit the daily collection with the latter Bank.

The circumstances of this irregular action on the part of the Bank of China may be briefly described. On the 16th June I received from the Superintendent's Office a letter addressed personally to the Commissioner of Customs, Antung, by the "Manchukuo" Minister of Finance to the effect that all revenue belonged to "Manchukuo" and must be deposited in the Kuan-yin-hao and if I refused to do this my action would be construed to be hostile to "Manchukuo" and suitable measures would be taken. Copy of this letter, dated 14th June, is appended.

At the same time this letter was delivered to me, I was requested to attend at the Superintendent's Yamên. On arrival there I found the Superintendent, the Japanese Adviser to his Office, and the Managers of the Banks of China and Chosen and of the Kuan-yin-hao. Including the Superintendent we had all received similar instructions from "Manchukuo." On the inquiry of the Japanese Adviser, presumably speaking for the Superintendent, if I would hand over the collection as instructed, I replied I could not do so without instructions. The Manager of the Bank of China made a similar reply whereupon, after a long and fruitless discussion, the Superintendent suggested that three days' grace be arranged by the Adviser with his "Manchukuo" superiors to enable the Bank and myself to obtain instructions.

During this conference the question arose of whether the transfer of the Service balances in the Banks of China and Chosen was involved. Upon my explaining to the Adviser how they were fed he agreed that they should not be touched.

On the 18th June, two days later, I was again requested to attend at the Superintendent's Yamên, the same interested parties being present as at the previous conference. The Adviser announced that his Changchun Authorities had refused to allow the matter of handing over the revenue to be postponed for three days. I informed him that I had not yet received a reply to my telegraphic request to you for instructions and, therefore, could not

take any action. The Manager of the Bank of China was then directed to hand over by the Adviser. The Manager inquired of me if I would authorize him to do so. I replied that I could not and that if he handed over it would be contrary to our Agreement. At my suggestion he then asked the Adviser if he would use force if he did not hand over the revenue. The Adviser's reply was that force would not be used but that he would take certain "undefined and effective measures" in case revenue was not immediately transferred in accordance with "Manchukuo" instructions.

The next day, Sunday the 19th June, the Commissioner's Secretary was informed by the Manager of the Bank of China that, considering veiled threats tantamount to *force majeure*, he had handed over on that day not only all revenue balances but Service balances as well, despite the previous assurances of the Adviser that the latter were not involved. I telegraphed you to this effect on the same day.

The following summary of the correspondence that now passed between the Manager of the Bank of China and myself will serve to inform you of the protest I made to the Bank for its breach of the Agreement with the Customs, and the defence of the Bank of the action taken.

*Letter to the Bank of China of the 7th June:* communicating the Kuan-wu Shu's instructions that the Bank of China is held legally responsible for the collection of Customs revenue in accordance with the Agreement between the Bank and the Customs. (This letter was actually sent before the incidents now being reported but is included herein to complete the record of correspondence between the Bank and myself on this general subject.)

*Letter from Bank of China of 17th June:* stating that the Bank had received a communication from the "Manchukuo" Ts'ai-chêng Pu instructing that all Customs revenue in its possession should be handed over at once to the Kuan-yin-hao and that non-compliance would be considered as a hostile act, that at a conference held at the Superintendent's Yamên the Commissioner's opposition to the declared intent of the Adviser, Sakikawa, to remove the revenue from the Bank of China was of no avail and that, if the Commissioner delayed taking any definite steps the Bank would not be in a position to assume further responsibility should matters come to the point where it would be impossible to offer further resistance.

*Letter from the Bank of the 20th June:* to the effect that, acting on instructions from the "Manchukuo" Ts'ai-chêng Pu, the Superintendent's Office had taken over the custody on the 19th June of all Customs moneys as from the 16th June, recalling the pressure

brought to bear upon the Bank by the Superintendent's Adviser when the latter threatened to take undeclared and decisive action should the Bank refuse to hand over the revenue, reviewing the circumstances in general to show that the Bank could make no stronger resistance than had already been shown and enclosing copy of a letter from the Kuan-yin-hao with a statement of the balances taken over. (A list of these balances in detail is given in the next to the last paragraph of this despatch.)

*Letter to the Bank dated the 23rd June* : protesting against the Bank's action in handing over the revenue to the "Manchukuo" Authorities, communicating the Nanking Ts'ai-chêng Pu's instructions that veiled threats do not constitute *force majeure* and that the Bank will be held responsible for breach of trust, and calling for an explanation of why Service accounts balances were also handed over when it was not required in the "Manchukuo" instructions.

*Letter from the Bank dated 22nd June* : informing me of certain instructions received from the Superintendent regarding the supervision of the daily handing over of the collection to the Kuan-yin-hao by the Bank of China. (I returned this letter to the Bank with the explanation that I could not concern myself with what happened to the revenue after it entered the custody of the Bank beyond holding them responsible for it. As will be noted, this letter was returned to me in the following letter from the Bank.)

*Letter from the Bank dated the 25th June, in reply to mine of the 23rd June* : (1) justifying the Bank's action in construing the veiled threats of the Adviser to be acts of *force majeure* and stating that the consequences of further resistance of a commercial institution like the Bank could have been foretold as certainly as the result of a "clash between an egg and a stone," (2) that the Superintendent and his Adviser were responsible for the taking over of the Customs moneys and as they were not disconnected with the Customs the responsibility did not entirely rest with the Bank and (3) that the Adviser, although admitting that he had intimated to me that he would not take over Service accounts, had decided to change his mind but to refer to the "Manchukuo" Ts'ai-chêng Pu the question of their eventual refund to the Customs. (As already reported, these Service balances have never been handed back to the Customs.)

With respect to the question as to what extent *force majeure* was applied to the Bank of China by the "Manchukuo" Authorities I would prefer not to offer my direct comment beyond (a) repeating again the remark the Adviser made on the occasion of the second conference in the Superintendent's Office, reported above, when he

told the Manager that he would not use force but would take certain "undeclared and effective measures" and, (b) mentioning that the Manager told me verbally that the visit of armed "Manchukuo" police to his Bank, recorded in his letter of the 20th June, was not to compel him to hand over the revenue to the Kuan-yin-hao but to exact his promise that he would not pay out the revenue to any other party than that designated by the "Manchukuo."

As noted in the Bank's letter of the 20th June and its enclosure thereto, the following balances, for which the Haikwan tael equivalents are added, were taken over by the Kuan-yin-hao:—

<i>Revenue Account :</i>	<i>Hk.Tls.</i>
Revenue Suspense Account:	
<i>C.P. Tls. 729,386.67 @ 109.92 = .</i>	663,561.39
Flood Relief Surtax Suspense Account:	
<i>C.P. Tls. 53,501.20 @ 109.92 = .</i>	48,672.84
Revenue (current) Account:	
<i>C.P. Tls. 142.90 @ 109.92 = . .</i>	130.00
	<u>712,364.23</u>
<i>Service Account :</i>	<i>Hk.Tls.</i>
Service Account:	
<i>C.P. Tls. 54.96 @ 109.92 = . . .</i>	50.00
<i>\$3,827.24 @ 150 = . . . . .</i>	2,551.49
<i>S.C. \$405.36 @ 170 = . . . . .</i>	238.45
Marine Account:	
<i>S.C. \$207.12 @ 170 = . . . . .</i>	121.84
Assistants' Mess Account:	
<i>S.C. \$13.35 @ 170 = . . . . .</i>	7.85
	<u>2,969.63</u>
<i>Tonnage Dues Account :</i>	<i>Hk.Tls.</i>
Tonnage Dues Suspense Account:	
<i>C.P. Tls. 697.53 @ 109.92 = . . .</i>	634.59

I have, etc.,

R. M. TALBOT,  
*Acting Commissioner.*

THE INSPECTOR GENERAL OF CUSTOMS,  
SHANGHAI.

## CIRCULAR No. 4616 (SECOND SERIES).

Provisional Yangtze Regulations of 1933: text of, communicating; to be enforced from 15th May and to take the place of Yangtze Regulations of 1898; Maritime Customs station under control of Chinkiang Customs being opened at Kiangyin for supervision of sea-going junks, notifying; instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 28th April 1933.

SIR,

With reference to Circulars Nos. 826 and 868:\*

Communicating the text of the Yangtze Regulations of 1898 and issuing detailed instructions regarding their enforcement:

I have now to circulate, for your information and guidance, copy of correspondence exchanged with the Kuan-wu Shu, from which you will see that the above regulations have been revised and that the new regulations, to be known as "The Provisional Yangtze Regulations of 1933," have been approved by the Shu and submitted to the Executive Council for record. The text of the provisional regulations, together with an English version, is also appended.†

There are two features in the revised regulations which constitute a radical change in existing practice and which consequently require your special attention: the first is the elimination of Chinkiang as a port at which River Passes may be taken out, and the second is the opening of Kiangyin as a Maritime Customs station at which all sea-going junks entering or leaving the river must report. As regards the first, you will observe that under Article 3 no merchant vessel of any nationality, with the exception of Chinese-owned junks, may proceed either up or down the river beyond Woosung without having first obtained from the Customs permission to do so. The manner in which this permission is to be obtained is described in Article 5 for vessels plying under I.W.S.N. Regulations; in Article 6 for river steamers trading regularly on the river; in Article 7 for sea-going steamers; and in Article 9 for Chinese junks chartered by foreigners (§ (c)) and for foreign sailing vessels including lorchas (§ (d)). As regards the second, it will be seen that, in order to secure proper control of sea-going junks trading on the Yangtze, §§ (a) and (b) of Article 9 require all Chinese sea-going junks, whether plying abroad or trading with places along the coast, to report to the new Customs station at Kiangyin, referred to in the next paragraph, before

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\* *Antea*, vol. ii, pp. 159-173.

† Not printed.

proceeding farther up or down the river. On arrival at Kiangyin they must present their national papers, etc., for verification and, in the case of junks engaged in foreign trade, pay whatever dues and duties are leviable on their cargoes. In a word Kiangyin has been selected as the gateway to the Yangtze for all Chinese sea-going junks, while Woosung becomes the gateway for all other merchant vessels.

The status of Kiangyin as a passenger station, where steam and motor vessels plying under the Yangtze Regulations may call for the purpose of landing and embarking passengers and their luggage, remains unchanged. From the 15th May 1933, however, it will also assume the status of a Maritime Customs station under the control of the Chinkiang Customs, and as such will exercise supervision over sea-going junks plying under Article 9 of the revised regulations and over vessels calling there under I.W.S.N. Regulations for ordinary purposes of trade (Circular No. 4161). Its status will therefore be twofold: (1) a passenger station as heretofore, and (2) a Maritime Customs station exercising control over (a) Chinese sea-going junks and (b) such vessels as call there under I.W.S.N. Regulations; and you are requested to see that this is thoroughly understood by your staff. It is to be anticipated that shipping companies, who, since the abolition of Likin barriers and Native Customs stations, have become accustomed to carrying cargo under I.W.S.N. Regulations to and from Kiangyin without any sort of Customs supervision, will at first be disposed to resent the measure of control now introduced, but it should be explained to them that Kiangyin has now become a Maritime Customs station and that, in common with all other stations of the same category, its functions include the control of cargo shipped and landed there under I.W.S.N. Regulations.

The Provisional Yangtze Regulations of 1933 will come into force from the 15th May 1933, and I have therefore to request you, on receipt of this Circular, to issue with your Superintendent a joint notification embodying the text of the regulations. A separate notice drawing the attention of junkowners to the requirements of Article 9, §§ (a) and (b), is also to be posted in a conspicuous place at every Custom House on the coast or on the Yangtze or Siang Rivers, and at every junk office and Maritime Customs station which deals with sea-going junks.

I am, etc.,

F. W. MAZE,  
*Inspector General.*



## CIRCULAR No. 4619 (SECOND SERIES).

Legal proceedings: Commissioner of Customs summoned by local court to answer for actions taken in his official capacity: decision of Ministry of Justice *in re* case, circulating; instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 2nd May 1933.

SIR,

In continuation of Circular No. 4537:\*

Notifying that Customs employees when acting in their official capacity and with the full authority of the Government are only answerable to the Administrative Law Court of the Central Government and do not come under the jurisdiction of any local court in legal actions arising out of Customs official action in enforcing the Government's regulations and rules:

I now append copy of Kuan-wu Shu despatch No. 9569, from which you will see that, as the result of litigation involving in his official capacity the Commissioner of Customs at Tientsin, the Ministry of Justice have now pronounced that a civil lawsuit cannot be brought against Government institutions, such as the police and revenue-collecting organs, which exercise their powers solely in the interests of the State, and that, basing their action on the provisions of par. 1 of Section 1 of Article 240 of the law governing legal proceedings in civil actions (民事訴訟法), a law court should refuse to try such cases.

You are requested to take note accordingly and, if summoned to appear in a local court in similar circumstances, to refuse to obey the summons, invoking as justification for your action the decision of the Ministry of Justice referred to above.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Antea*, vol. v, p. 113.

## ENCLOSURE.

財政部關務署訓令政字第九五六九號中華民國二十二年四月二十日

令總稅務司梅樂和

爲令知事前據該總稅務司呈爲天津地方法院受理生記號等因津海關對於違犯關章民船將貨物充公訴請判令發還或按市價賠償一案請示應付方法等情當經由部咨請司法行政部通令各法院嗣後不得受理海關行政處分案件並指令該總稅務司各在案茲准司法行政部咨稱查官公署之行政處分如行使警察權賦稅權之類苟純屬國家權力之作用而無關於經濟活動者縱其處分違法或不當致損害人民之權利除法令別有明文外祇能依訴願法第一條訴願請求撤銷該處分而不得依民法之規定對於國家提起民事訴訟請求損害賠償如有以該官公署爲被告向法院提起民事訴訟者即係以法律上不適於爲民事訴訟標的之法律關係取爲民事訴訟之標的法院自應依民事訴訟法第二百四十條第一項第一款以裁定駁回之除令河北高等法院轉飭該法院迅予查明依法辦理並通令各省高等法院轉飭所屬有關係各法院知照外咨復查照等因合行令仰該總稅務司轉飭該津海關稅務司知照並通行所屬一體知照此令

## CIRCULAR No. 4635 (SECOND SERIES).

International Convention for Safety of Life at Sea, 1929: China's adherence to; particulars of and I.G.'s instructions *re* new helm orders, etc., conveying.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 26th May 1933.

SIR,

I have to state that, in response to an inquiry which I recently addressed to the Kuan-wu Shu, the Shu have now informed me that arrangements have been made for China to sign by accession the International Convention for the Safety of Life at Sea, 1929.\*

For your information and guidance, a copy of this Convention is appended hereto (Enclosure No. 1).†

It should be noted that Chapters II, III, IV, and VI apply only to vessels on international voyages. This and the exemptions permitted in regard to radiotelegraphy by Article 28 and the annex thereto (Chapter IV) render the provisions of these chapters, to a large extent, inapplicable to Chinese shipping, and it should also be noted that, where the rules are applicable, the duty of ensuring compliance will rest with the Navigation Bureaux at the various ports.

With a view, however, to ensuring that Customs clearance is not granted to vessels affected by these rules if they have failed to comply with them, you are requested to call for the production of properly completed, signed, and sealed certificates, as provided for in Regulation XLVII, by all vessels applying for clearance for an international voyage, except cargo vessels of less than 1,600 tons gross tonnage, which are not affected by the regulations referred to.

Exemptions provided for in Article 28 are sufficiently clear, and a small sketch map showing the areas in Eastern waters affected by the radiotelegraphy exemptions, mentioned in the annex to that article, is appended (Enclosure No. 2).†

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\* For text of this Convention, *vide* Martens-Triepel, "Nouveau Recueil Général de Traités," Troisième Série, vol. 32, pp. 739-826.

† Not printed.

In regard to Chapter V, all sea-going Service vessels are required to render such assistance as may be practicable and convenient in reporting dangers, etc. (*vide* Regulation XLVI), and to observe carefully the regulations in respect to alarm, distress, and urgency signals.

The attention of Commissioners and the Coast Inspector is particularly directed to Article 41, Chapter V, in so far as its provisions affect Service vessels and Service-controlled pilots. This provides that helm orders shall in future be given in the *direct* sense.

An interesting memorandum prepared by the British Board of Trade on the subject of the change from the *indirect* to the *direct* system of helm orders is appended for your information (Enclosure No. 3),\* and I have to inform you that after very careful consideration and consultation with the Coast Inspector, who has in turn consulted a number of those materially interested in this question at Shanghai and on the China coast, it has been decided with the approval of the Government that the use of the words "starboard" and "port" in helm orders issued on board Chinese merchant vessels, Service craft, and by Service-controlled pilots is to be discontinued.

Further, helm or steering orders, *i.e.*, orders to the steersman, shall henceforth be given in the *direct* sense in all Service vessels and by Service-controlled pilots, *e.g.*, when the ship is going ahead, the order "right" shall be used when it is intended, on ships as at present generally constructed and arranged, that the wheel, the rudder blade, and the head of the ship shall all move to the right. Similarly, the order "left" shall be used when it is intended, on ships as at present generally constructed and arranged, that the wheel, the rudder blade, and the head of the ship shall all move to the left.

In the case of small vessels steered by hand-tiller, orders must be given in the *direct* sense, *e.g.*, the order "right" must only be given if the rudder blade and head of the boat are moved to the right.

Further, to ensure safety in pilotage waters the Statistical Secretary has printed a number of notices in Chinese and English, addressed to masters of vessels, regarding the system of helm orders in use. Commissioners in control of pilots should instruct the pilots whom they control that on each and every occasion on which they take pilotage charge of a vessel, they should hand a copy of this notice to the master of the ship. This procedure should be carried out consistently for at least six months, to the end of the year 1933.

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\* Not printed.

The text of the Convention referred to in this Circular is being published by the Chinese Government, and instructions to the Chinese mercantile marine in regard to helm orders, similar to those laid down in this Circular, are being promulgated.

Steps will also be taken by means of a Coast Notice to Mariners to ensure the widest publicity for this important change in procedure.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## CIRCULAR No. 4638 (SECOND SERIES).

**Flood relief and 5 per cent revenue surtaxes: to be levied on all dutiable imported articles hitherto exempted therefrom applied for on and after 16th May 1933; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 30th May 1933.

SIR,

With reference to Circular No. 4360:\*

Notifying that the Government had authorised the collection of a flood relief surtax on import and export duties commencing from 1st December 1931, and conveying instructions *re* collection, etc.:

and to Circular No. 4461:†

Conveying Government instructions that a 5 per cent revenue surtax on import and export duties was to be collected for a period of one year from 1st August 1932 to 31st July 1933, and issuing instructions *re* collection, etc.:

I now append, for your information and guidance, copy of Kuan-wu Shu despatch No. 9710, from which you will see that, as the three-year period of special duty treatment of the articles specified in Annex I to the Sino-Japanese Tariff Agreement of 1930 expired on 15th May this year, flood relief and revenue surtaxes are to be levied from 16th May on all the import articles hitherto exempted from these surtaxes (*vide* § 2 of above Circulars).

You are requested to act accordingly, issuing a notification in conjunction with your Superintendent, and to note that the above surtaxes are to be levied on all such goods applied for on and after 16th May 1933. No exemption is to be allowed in the case of goods bonded prior to that date.

A circular telegram conveying the above instructions was sent to all ports on 11th May 1933.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Antea*, vol. iv, p. 647.

† *Antea*, vol. v, p. 55.

## ENCLOSURE.

財政部關務署訓令則字第九七一〇號 中華民國二十二年五月八日

令總稅務司梅樂和

爲令行事查海關徵收之附加稅本規定按進出口稅徵收當二十年十二月間施行該項附加稅之時因中日協定附表尚在有效期間故對於原條例第三條載明各款免徵附加稅惟本年五月十五日中日協定附表滿期上述免徵附加稅各款之依據已不復存在自五月十六日起對於此項進口貨物自應照徵附加稅以示一律除已由部呈請

行政院備案外合行令仰遵照辦理此令

## CIRCULAR No. 4672 (SECOND SERIES).

**Duty readjustment after release of cargo: no adjustment of duty to be made once Custom House has completed its final check of Application except in case of manifest clerical error; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 13th July 1933.

SIR,

The Shanghai Commissioner recently drew attention to adverse criticism which had appeared in the local press regarding the Customs practice of adjusting duty assessments at a considerable interval after release of the cargo concerned and suggested that some time limit might be fixed, say 15 days from the date of release of the cargo, after which no further adjustment of duty should be made. Reference to the practice of other countries in this respect, however, showed that, when a time limit is laid down, one year from the date of release of the cargo or of duty payment, whichever comes later, is the minimum period allowed before cases are considered finally closed. It is clear, therefore, that if China's revenue interests are to be adequately safeguarded, I could not recommend to the Government that any period shorter than one year should be fixed as a time limit in this connexion, and as this period would not relieve merchants of the difficulties of which they complain, no useful purpose would be served by fixing a time limit at present.

As the present Customs procedure, however, in certain cases gives the merchants legitimate grounds for dissatisfaction, I have decided that in future, once cargo has been released on fulfilment of all Customs formalities and the Custom House has completed its final check of the Application, no adjustment of the duty concerned is to be made except in case of manifest clerical error. Such errors, of course, may occur not only in the assessment of values and calculation of duties, but also in the entry of the tariff rate under which the goods are classified, but if in the latter category, they must be of such a nature that the merchant could reasonably have been expected to have detected them himself, *e.g.*, when cigars are classified as cigarettes or when, owing to clerical error, the tariff rate entered is for a totally different article. Other errors, such as those which are due to misinterpretation or non-observance of existing instructions, etc., are not to be adjusted except in very special circumstances and after reference by despatch to the



Inspectorate. It is to be understood, of course, that these instructions do not apply to cases where evidence of fraud is subsequently discovered.

In view of this change in procedure, the Tariff Secretariat in future will not issue instructions regarding the recovery or refund of duties short-paid or over-collected, but will point out mistakes by memorandum to the port concerned and will leave it to the Commissioner to take action where necessary in accordance with the principle laid down above.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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CIRCULAR No. 4676 (SECOND SERIES).

**Frauds on revenue: office procedure to be carefully examined and reported on; punitive action in future to be taken against whole staff of station or office concerned when actual culprits are not discovered.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 26th July 1933.

SIR,

I append hereto copy of Kuan-wu Shu despatch No. 10190 together with an English version of my despatches Nos. 4478 and 4617 to the Shu, from which you will see that, in consequence of a fraud on revenue discovered in circumstances involving a strong presumption that certain minor Service employees were guilty of connivance with outsiders, the Shu direct that office procedure governing the handling and safeguarding of Customs documents and seals is to be carefully examined at all ports with a view to eliminating any possibility of collusion in malpractices between Customs employees and members of the public. I have accordingly to instruct you to report by despatch your existing office procedure in this respect, stating whether or not you consider that it provides the necessary safeguards against such collusion, and, if not, to submit recommendations for improvement.

Your special attention is drawn to the remarks of the Shu that in spite of the fact that Service employees are more highly paid and better treated than employees of other Government Departments,

with the sole object of placing them above pecuniary temptation, yet the case of fraud in question indicates that there are still in the ranks of the Service employees whose honesty cannot be relied on. These men not only abuse the trust reposed in them, but by their inexcusable dishonesty imperil the position and prospects of their honest colleagues. It is also to be noted that the Shu express the hope that all Service employees will take warning and will in future make every effort so to conduct themselves as to maintain the reputation of the Service and avoid public criticism.

I have confidence that, so far as the great majority of members of the Service is concerned, there is no necessity for me to elaborate the remarks of the Shu. Unfortunately, increased tariffs have provided dishonest outsiders with greater incentives to suborn Service employees, with the result that in the lower ranks of the latter it is questionable whether the comparatively high rates of pay to which the Shu refer constitute an effective safeguard against temptation. Moreover, supervision of those ranks is not always adequate, and too many opportunities for dishonesty are offered to employees of this class either through faulty organisation or through inefficiency on the part of responsible employees, or both. An added complication is the practice hitherto followed in cases of malfeasance of assuming innocence of complicity unless actual guilt can be proven.

Experience shows, however, that inefficiency in any form almost inevitably provides opportunities for corruption and that it is always difficult, and frequently impossible, clearly to establish where inefficiency ends and corruption begins. I, therefore, take this opportunity to notify that in future cases of malpractice in which there is practical certainty that Service employees are implicated, but no possibility of definitely indicating all or any of the guilty parties, it need occasion no surprise if punitive action entailing loss of Service employment be taken not only against individuals but also against the entire staff of the station or desk concerned. Dishonesty must be eradicated, and it is the duty of every member of the Staff, high and low, to assist in attaining and maintaining this ideal.

A copy of this Circular in English and in Chinese is to be placed in your Order Books, and care is to be taken to ensure that every member of your staff, Chinese and foreign, is given an opportunity to acquaint himself with its contents.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE No. 1.

爲通令事查海關職司征榷首貴廉潔所有供職各員役應如何束身自愛以保榮譽而肅關紀乃近來竟有關役串通奸商在各項納稅單據上盜用印信假冒簽字藉以偷漏稅款近且奉

關務署嚴令誥誡並有海關員役之待遇均較任何機關爲優原欲厚給薪俸以期弊絕風清乃結果仍復如此言之殊堪痛心等語因思海關數十年來以弊絕風清見稱於中外我海關人員所以自信自慰而無負於政府者亦卽在此今乃因少數不肖差役遂致玷我清名污及全體言念及此何勝浩歎本總稅務司深知各關員司大多數均能砥礪廉隅潔已奉公惟自稅率增高以來各奸商希圖偷漏遂不免勾結差役誘以甘言餌以厚利該差役等薪給雖優知識尙淺往往被其利用致有以上所舉情弊加以各關監察辦法未盡周密內部組織未盡完善而高級負責關員於執行職務時又或疎於防範致予該差役等以舞弊之機及至案情敗露設非查有確據又皆一味推諉無憑究辦致使作奸者益無忌憚狡黠者羣思效尤此固由於該差役等不知自愛亦由該管長官管理不嚴之所致也似此情形若不嚴加整頓將何以杜弊竇而維關譽現在各關對於監用印信保管文件究係如何辦法能否杜絕弊端如辦法未盡妥善或有日久生懈之處究應如何分別改良整頓俾臻完密着卽悉心體察妥籌辦法詳細呈復以憑核奪至負責管理差役之關員對於舞弊之案雖不至知情故縱但既疎於防範自屬咎無可辭嗣後各關遇有舞弊案件發生如海關員役果係與商人朋比爲奸不能查出主名雖將發生該案部分全體員役一律嚴予懲辦亦所不惜務使各級人員咸知警惕期達弊絕風清之目的本總稅務司言出法隨決不姑寬各關員役等其各爭自濯磨慎勿以身試法自貽伊戚除分行外合行照抄署令仰該關稅務司轉飭所屬各員役一體懷遵並將此項通令載入該關令簿俾各深切注意是爲至要切切此令

計抄件

## ENCLOSURE No. 2.

財政部關務署指令政字第一〇一九〇號中華民國二十二年七月三日

令總稅務司梅樂和

呈一件爲查復．．．．行報運汽車偷稅舞弊情形請鑒核由

呈悉詳核所呈此案舞弊情形係由該洋行行員．．勾通該關關役所爲來呈認．．爲此案主犯固無疑義惟該行員舞弊偷稅雖爲法所不許然海關苟無串通之人該行員雖欲舞弊勢亦有所不能況據稱舞弊方法或則盜用印信或則假冒簽字或則乘總務課未將稅款數目登賬之前即將證單盜竊銷燬其種種舞弊方法雖使人不易察覺然該關對於緊要證單屢被盜竊印信屢被盜用簽字屢被假冒何竟毫無覺察直至上年八月三十一日之案發見始牽連查覺六閱月內迭次舞弊之案是該關於此案雖經查覺於事後而事前失察實亦非尋常疎忽可比似此情形該關實負有相當責任來呈所稱各節是欲完全諉過於該商行恐不足以資折服姑候由部照該總稅務司所呈此案情形轉咨外交部酌核辦理再該關此次既發見盜竊單證各弊端其他各關有無類此情事應由該總稅務司督飭切實查防以祛弊竇又近來各關員役迭被控告雖飭據查復均無其事但證以此次該關情事可見各關員役之中不肖份子亦尙不能決其必無人言嘖嘖亦非無因論海關員役之待遇均較任何機關爲優原欲厚給俸薪以期弊絕風清乃結果仍復如此言之殊堪痛心深望各關員役嗣後務各清白乃心妥慎盡職賢者則勉益加勉不肖者亦革面洗心廉潔自矢以免貽人口實而保海關榮譽并仰通飭一體遵照此令

## ENCLOSURE No. 3.

*English Version of I.G. Despatch No. 4478 to Kuan-wu Shu,  
dated the 14th June 1933.*

In reply to Kuan-wu Shu despatch No. 9259:

Instructing that, in view of representations made to the Wai-chiao Pu by the American Minister (copy enclosed), a thorough investigation is to be made into a case of fraud on the revenue in connexion with the importation of motor-cars by Messrs. — discovered by the Customs at Tsingtao in September 1932, and a detailed report thereon submitted, etc.:

the Inspector General begs to state that in accordance with the Shu's instructions the whole case has been carefully reinvestigated and a copy of the Commissioner's report in this connexion is appended.

The facts of the case are, as briefly as possible, as follows: On the 31st August 1932 the American firm — applied to import one motor-car, and a Duty Memo. was issued in the ordinary way. On the day following, Sections 1 and 2 of the Duty Memo. (the first section is the Duty Memo. itself which, after being stamped by the Bank in token of payment of duty, is returned by the applicant to the Custom House in order to secure release of the cargo concerned, and the second forms the receipt which after being sealed by the Customs is retained by the applicant) bearing what appeared to be the Customs Bank chop as proof of duty payment were produced to the Customs, and the necessary documents permitting release of the car were stamped by the Customs, and the car was duly released. On the next day, the 2nd September, when check was being made of the Bank's Receipts with the Customs Duty Sheets, it was found that the duty on this car had not been received by the Customs Bank and inquiries were accordingly made. The above firm was unable to produce the special Customs Bank Receipt (which is issued at Tsingtao by the Bank itself on payment of duty and is quite a separate document from Section 2 of the Duty Memo. referred to above) covering payment of the duty, and in due course the amount of duty due, G.U. 615.12, was paid.

This case led to further investigations, and it was found that since the end of February 1932 two other cars and eight motor-truck chassis imported in four different consignments had been released by the Customs for the above firm, but that the duty due on them

had not been paid to the Customs Bank. Payment of the total amount due, viz., *G.U.* 3,143.50, was accordingly claimed from the firm. The latter refused to pay on the ground that the cars and chassis had been released and that duty on them must therefore already have been collected by the Customs. When requested to produce proof of duty payment, the Manager said he had never received receipts issued by the Customs Bank but produced Sections 2 of the Duty Memo. duly sealed by the Customs, some of which on examination were found to bear forged initials of the Assistant who was supposed to have released the cargo. It should here be explained that the discovery in August which led to these further revelations of fraud was the result of certain improvements in office procedure.

While inquiries into the fraud were in progress, ——'s clerk, who had been engaged in passing the cars in question through the Customs, disappeared from Tsingtao. Later on the Manager admitted to the Commissioner that he had got rid of the clerk because he had confessed to having misappropriated some of the money handed to him for paying the duty on the cars and truck chassis and to having been assisted in his act of misappropriation by some employees in the Custom House. With the clerk's disappearance it was impossible to identify who were his associates in the Custom House, but a certain number of t'ingch'ai, who were the only men on whom suspicion fell, were taken to Police Headquarters, and the Chief of Police was requested by the Customs to hold the men if they found any case against them. Only one was detained for searching inquiry, and he eventually returned with a signed statement that the police had nothing against him, except that it might be shown that in the course of his routine duties he might have affixed the seal on some of the documents which resulted in the cars and truck chassis passing out of our hands. The police then, together with the Manager of the Company, searched the living place of the clerk who had disappeared, and amongst his possessions was found a forged replica of the seal used by the Customs Bank for affixing on Sections 1 and 2 of the Duty Memo. in acknowledgment that the money has been received by the Bank and on which subsequent Customs formalities depend. Two Gate Notes covering some of the cars concerned in this case which had been released were also found.

The Tientsin Manager of the Company then called on the Commissioner and produced the same argument that had been used by the local Manager and by the American Consul, viz.: that the firm held Customs Duty Receipts, *i.e.*, Sections 2 of the Duty Memo.,

and the cars had been released by the Customs, and they were therefore not liable for further payment. The improper methods which had been employed to obtain the above Customs Duty Receipts were pointed out to him, and the Tientsin Manager then asked for time to enable him to lay hands on the clerk who had disappeared and who apparently was under no guarantee. This request was readily granted. After the lapse of about a month, when it appeared that no efforts to apprehend the clerk were being made, the local Manager of the Company was called on to pay the outstanding duty. He replied that it was not the intention of the Company to pay. The Commissioner thereupon, with the Inspector General's approval, withdrew all Customs privileges from the Company, which has resulted in the holding up of another motor-car and some tires. Subsequently the Commissioner offered to restore Customs privileges to the Company on deposit of a sum to cover the amount of duty in question which would be brought to account or refunded according to the eventual decision reached in the case. The Company has not availed itself of this offer to deposit this sum.

From the above narrative of facts, it will be seen that the American Minister's despatch omitted three points which have a very important bearing on the case.

1. In the first place, in addition to the four cases of importation referred to by the Minister, there was a fifth which took place on August 31st, and which there is every reason to suppose was carried out in the same way as the previous four. In this fifth case, the position after the fraud had been discovered was exactly the same as in those now under consideration, viz.: the car had been released by the Customs and the Company claimed to have the Customs Duty Receipt, *i.e.*, Section 2 of the Duty Memo., but the amount of duty due had not been paid into the Customs Bank. On this occasion the Company paid the amount due.

2. The second and still more important omission was the fact that the Manager of the Company allowed the clerk who had been involved in the transactions and who, on the Manager's own admission, had confessed to having misappropriated some of the money handed to him for payment of duty on the cars and chassis, to disappear. In this way the most important witness to the whole case of fraud was lost, and it has become impossible to conduct an exhaustive and impartial investigation such as the American Minister now asks for.

3. The third omission is the fact that a forged imitation of the seal used by the Customs Bank for affixing on the Duty Memos. in token of payment of duty was found among the absconding clerk's possessions.

The American Minister's contention that the firm —— is not liable to payment of duty for the four cases in question is based on the contention that the latter hold sealed and initialled Customs Duty Receipts (Section 2 of the Duty Memo.) and that the cars have been released by the Customs. The Customs, however, have very strong evidence as detailed below to show that these Receipts if not forged themselves were obtained by means of fraud and hence were valueless. It is to be noted, moreover, that the above Receipts and the documents authorising release of cargo are sealed, initialled, and issued by the Customs at one and the same time, and that any fraud which might have been effective in obtaining issue of such Receipts would have been equally effective in obtaining release of the cargo.

Before proceeding to enumerate the various items of proof of the fraud, the Inspector General proposes to reply to the questions raised by the Kuan-wu Shu in their despatch No. 9259, which explains how the fraud was probably committed.

1. "Were 'the usual receipts' in question receipts signed and issued by the Customs or forgeries made by outsiders?"

(a) In the four cases referred to by the Minister, the initials on some of the receipts when shown to the Customs did not seem to be genuine. It is probable, therefore, that some receipts were actually forgeries and that others were sealed and issued by the Customs on the strength of the forged Customs Bank chop placed on the 1st and 2nd Sections of the Duty Memo. The two methods which were probably employed for this purpose are as follows: The first is that ——'s clerk did not pass through any Customs formalities but in collusion with somebody in the Custom House had the Commissioner's seal impressed on the Bills of Lading and Gate Notes, *i.e.*, the documents which authorised the release of the cargo, and on Section 2 of the Duty Memo., and forged the initials of the Assistant who ordinarily releases such cargo. The second method involving the use of the forged Bank's seal is as



follows: After handing in Application and accompanying documents in the usual way, the clerk would in due course receive the Duty Memo. Instead of taking it to the Bank for payment of duty, he would stamp it with the forged Bank's rubber chop. Sections 1 and 2 would then be returned to the General Office and Sections 3 and 4 be destroyed. On receipt of Sections 1 and 2 bearing the (forged) Bank's chop in token of duty having been received by the Bank, the Assistant releasing cargo would initial Section 2 to serve as Duty Receipt and the documents authorising release of the car which after being sealed would be handed to the applicant. To avoid detection later, the clerk would doubtless have an accomplice in the Custom House who would either remove or conceal the original Application handed in to the Customs and Section 1 of the Duty Memo.

- (b) In the case of the 31st August 1932, the "usual receipt" was initialled and issued by the Customs, the method employed to obtain it doubtless being the second of the two methods described above.

2. "How is it that if the duty due had not been paid on the cars they could be taken delivery of?"

The remarks under 1 above show that documents authorising release of the cars were doubtless obtained in the same way and at the same time as the Duty Receipts.

3. "Were there any further Customs formalities to be observed?"

The applicant had to produce the sealed and initialled Gate Note to the Gate Office at the time when the cargo was taken out from the Wharf. The Gate Notes cannot be traced. Two of them, however, were found by the Police in the absconding clerk's house.

The various facts which go to show that duty was not paid into the Customs Bank and that the Customs Receipt (Section 2 of Duty Memo.) was either forged or obtained fraudulently are as follows:—

- (1) That the books of the Customs Bank show clearly that the amounts of Duty indicated on Messrs. —'s Duty Memo. slips have not been paid to the Bank;
- (2) That the other three portions of the Duty Memos. concerned have completely disappeared;

- (3) That the spaces for the entry of the Duties concerned in the Customs Duty Sheets are blank;
- (4) That Messrs. — could not produce the special form of Bank Receipt issued by the Bank itself;
- (5) That a false seal was found among the belongings of Messrs. —'s absconded clerk, this seal being a fraudulent replica of the seal used by the Customs Bank;
- (6) That Messrs. —'s clerk, who was entrusted by this firm with the money for the payment of the Duties in question, disappeared as soon as the fraud was brought to light;
- (7) That this clerk, on Messrs. —'s own testimony, admitted to his employers that he had embezzled some of the money entrusted to him for the payment of these Duties;
- (8) That on this admission the clerk in question did not pay the Duties involved to the Customs Bank, and could not therefore obtain the Bank's seal on the Duty Memo. slips certifying that these Duties had been paid;
- (9) That some of the initials on the four Duty Memo. slips have been found to be forgeries.

It is admitted that the above facts may not be considered as absolutely conclusive proof, but as explained above it is impossible now to obtain positive proof owing to the fact that the Manager of the firm not only allowed the defrauding clerk to disappear instead of prosecuting him in the local Court for embezzling his Company's funds, but failed to bring to the notice of the Customs that they had received his confession to the effect that such embezzlement had involved perpetration of frauds on Customs revenue in collusion with unnamed Customs employees, in time for the Customs to be able to take action. The firm not having taken active steps to prevent his disappearance and thus ensure that all facts of the case were brought to light must now assume full responsibility towards the Customs for the fraud.

It is to be noted, moreover, that in the fifth case, where the circumstances were exactly similar to those in the first four, — admitted their liability and paid duty. In view of this the only ground on which the firm can reasonably disclaim liability to duty for the first four is the length of time that elapsed between the dates

of importation and discovery of the fraud. The Chinese Government, however, have never laid down any time limit on expiry of which a firm ceases to be liable for payment of duty. In this connexion it is interesting to note that in 1914 revenue short-paid over a period of eight years owing to fraud committed by a firm's employee was recovered from a British firm.

The American Minister dwells at length in his despatch on the fact that the Customs procedure at Tsingtao must have been faulty and compares it with the procedure at Tientsin. The procedure at Tsingtao is not more similar to the Tientsin practice than to that at any other large port, and it is unfortunately a fact that frauds on revenue in many ways very similar to the one now under consideration have occurred from time to time in the past elsewhere. Office procedure which is absolutely flawless is impossible to attain, and only experience gained over great length of time can enable one to approach this ideal. The Kiaochow Customs have been particularly handicapped in this respect in the past owing to special local conditions which prevented the Customs from exercising the same freedom as regards transfer of staff, adoption of office procedure, etc., as at other ports. Conditions in this respect are now very much better, and the Kiaochow Customs are taking every step to perfect their procedure. Flaws in Customs procedure, however, do not exonerate a merchant from his responsibilities with regard to payment of duty. Duty is a debt to the Government which every subject of Treaty Powers is by treaty obliged to liquidate, and it, therefore, behoves him to take all possible precautions to ensure that payment is made to the proper organ appointed by the Government to receive it. In this connexion it may be pointed out that — omitted to obtain the special Receipts issued by the Bank as a safeguard to merchants and also neglected the obvious precaution of paying by cheque or order.

Reference is also made in the Minister's despatch to the fact that there was possibly complicity on the part of Customs minor employees. It is possible that some of the frauds were conducted by the clerk without the help of an accomplice, but the probability is, as stated above, that he had a confederate among the Customs t'ingch'ai, the only members of the staff upon whom, after exhaustive inquiries, suspicion falls. It is particularly unfortunate that owing to the disappearance of the clerk the Customs cannot sift this aspect of the case to the bottom. The facts, however, that the clerk disappeared when the fraud was discovered, that he admitted to speculation of some of the money concerned, and that a forged Customs Bank seal and two of the Gate Notes concerned were

found among his possessions leave no room open for doubt that he was the instigator and main agent in the fraud. It, therefore, seems fairly evident that he was guilty not only of fraud on the revenue but also of the very serious offence of suborning Government employees. The whole facts of the case will never be known unless and until the clerk is apprehended, but in view of the strong suspicion of complicity the Inspector General is taking strong disciplinary action.

The Minister also makes serious charges against two foreign Assistants in the Kiaochow Custom House, "one or both of whom," he states, "must have seen and initialled the Receipts and other documents covering the entry of the four cars." In actual fact, Mr. — being in the Appraising Office has no connexion with the release of cargo, while Mr. — being in charge of the whole General Office does not deal with the routine work of initialling Receipts and Bills of Lading, etc. The Inspector General, therefore, fails to understand how the Minister without any knowledge of the true facts can make a statement which casts doubt upon the integrity of two very deserving members of the Customs Service who possess the complete confidence of their Commissioner.

He also asserts that "at least one employee of the Central Bank . . . must have had cognizance of the fraud." The facts that no Bank Receipt for any payment could be produced and that a forged Customs Bank seal was found among the absconding clerk's possessions are very strong evidence that the Central Bank had no knowledge at all of the fraud. Other misstatements made by the Minister are referred to in the Commissioner's despatch.

To sum up, therefore, the Customs have strong evidence that the duty in question was not paid into the Customs Bank. The evidence is also very strong that the Duty Receipts now held by the Company are either forged or were obtained by fraud and are therefore valueless; it has further been shown that documents authorising the release of the cars and the motor-truck chassis would have been obtained in the same way and at the same time as the above Duty Receipts. That it is impossible to produce proof positive of all the above points is solely due to the fact that the most important witness to the case, —'s clerk, was allowed to disappear.

It is a Customs rule of very long standing that principals must be responsible for all actions of their employees which affect the Customs: this rule must apply with all the greater force in this particular case in view of the fact that the Company . . . did not take the necessary steps to prevent an employee who had

admittedly defrauded the revenue from escaping justice. Clemency is already being shown when the Company is not required to pay a heavy penalty in addition to the duty due, and the very least that the Customs can accept is payment of the duty on the four cases in question which has not been received by the Government.

The Shu are therefore requested to uphold the decision of the Customs in this matter.

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*English Version of I.G. Despatch No. 4617 to Kuan-wu Shu,  
dated the 19th July 1933.*

The Inspector General has received the Kuan-wu Shu's despatch No. 10190, from which he notes that further information on the subject must be awaited from the Wai-chiao Pu to whom the question has been referred. In the meantime, the Inspector General desires to make the following observations:—

It is perfectly true that the fraud in question continued for some time without being discovered by the Kiaochow Customs, but it should be considered that when fraud is perpetrated by means of forged documents or forged writing, it is always very difficult to detect, and it should also be remembered that it was in fact discovered by a member of the Kiaochow Customs in the end. It is quite clear that the principal culprits were Messrs. —, and it is also true that a subordinate member of the Kiaochow Customs was acting in collusion with them. Here again when t'ingch'ai, or other junior employees, lend themselves to bribery and corruption, it is difficult—and in some cases impossible—for the Commissioner of the port concerned to discover malpractices of this nature. No matter how strict the discipline in the office may be, or how carefully employees may be supervised in the office, it is fantastic to suppose that a Commissioner of Customs can possibly provide against malpractices which are perpetrated by members of his staff outside of office hours in secret conclave with merchants or others; and an examination of the past history of the Customs Service in China discloses the fact that such malpractice on the part of Customs employees which has cropped up from time to time, and which in the nature of things will continue in the future to crop up from time to time, has been invariably carried out by the subordinate and relatively poorly paid employees. And, in the case of responsible members of the Service, In-door and Out-door, Chinese and foreign,

it has never or seldom happened that any of these has been proved guilty of systematic frauds on revenue, which would appear to support the argument that the Inspectorate System of "a small staff, adequate pay and no squeeze" is the correct system to protect the revenue. And, in regard to the Kiaochow Commissioner's responsibility in this particular case, the Inspector General would point out that while he is technically responsible, it ought to be remembered that he is one of our most experienced Commissioners, is a strong disciplinarian, and has been specially retained in Kiaochow at the request of the Minister of Finance in consideration of the excellent services which he has rendered there.

Frauds of this nature are greatly to be regretted, but, as remarked above, it is satisfactory that it was in the end discovered by the Customs, and the Inspector General would like to reiterate that no matter how carefully a Commissioner may supervise and no matter how carefully the senior members of the Service may supervise, it is difficult, if not indeed impossible, to protect the Service against the malpractices of subordinate members of the staff acting in collusion with the public. The most that we can do in cases of proved malpractice among Customs underlings is to hold all such staff responsible and when the actual delinquents cannot be discovered to take disciplinary action against all in that class. When such delinquents are discovered, they will not be condoned and continued to be employed, even if the Customs are pressed to do so by their relatives, but will be instantly dismissed once and for all and if necessary handed over to the civil authorities for any punishment that the law of the land may impose. By this means the high reputation of the Customs Service can be maintained. In the meantime the Inspector General will remind Commissioners of standing instructions that all Customs employees are expected to be honest and to protect revenue interests, and that those who are convicted of dishonesty or inefficiency will be dismissed.

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## SEMI-OFFICIAL CIRCULAR No. 99.

**Tonnage Dues: commission appointed by Inspector General to consider question and draw up new scale.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 28th July 1933.

SIR,

The subject of Tonnage Dues has once more come to the forefront. As you will have noticed from my Circular No. 4584,\* the amount collected under this heading has for several years past been insufficient to cover the cost of maintenance of our Lights, etc. This, of course, is principally due to the fall in the sterling value of silver, and it is in sterling that most of our materials and apparatus have to be paid.

We have therefore now reached a point in the development of our Aids to Navigation Department when it is essential to consider and decide what steps shall be taken to ensure the provision of the funds necessary not only for the maintenance of the existing service but also for much needed additions and modern improvements such as wireless beacons. China's Lights Service stands second to none for efficiency, and for economical running, but the fact that during the past three years our expenditure for the upkeep of this service has exceeded our Tonnage Dues income by some twelve or thirteen lacs of taels every year is a matter of very serious concern. If our Lights Service is to maintain its high standard and to provide for future requirements a remedy must be found for this unsatisfactory financial situation. We cannot continue as at present, and I am convinced that His Excellency the Minister of Finance, sympathetic as he is to all that concerns the welfare of China's Lights, would naturally view with dismay inroads on the Customs revenue for the support of these lights. That revenue is already fully pledged for other purposes, while Tonnage Dues are supposed to provide all that may be required for the maintenance of the Lights Service.

In view of this situation I have decided to constitute a special commission to study and report on the Tonnage Dues question, and have selected as members of the Commission Mr. A. C. E. Braud,†

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\* *Antea*, vol. v, p. 137. † *Vide* S/O Cir. No. 88, *antea*, vol. v, p. 67 (footnote).

Commissioner at Shanghai, Mr. J. H. Cubbon,\* Financial Secretary at the Inspectorate, Mr. Ting Kwei Tang,† Chinese Secretary at the Inspectorate, Mr. Y. H. J. Cloarec,‡ Audit Secretary at the Inspectorate, and Captain H. E. Hillman, R.N.,§ Coast Inspector.

\* John Herbert Cubbon was born on the 8th November 1887 at Douglas, Isle of Man, was educated at King William's College, and joined the Customs Service on the 19th January 1906 as 4th Assistant, C. For the first five and a half years of his Service career he was in the Postal Department, and was stationed successively at Hankow, Shanghai, Moukden, and Taiyüanfu. On the 1st September 1911 he was transferred to the Revenue Department, In-door, and appointed to the Inspectorate at Peking, where he remained for a year and a half. On return from long leave he served for three years at Shanghai and for a year and a half at Antung before being transferred once more to the Inspectorate, where he remained for three years in the Audit Department. On the 1st April 1925 he was promoted Deputy Commissioner while serving at Shanghai as District Accountant. For five months—November 1925 to the end of March 1926—he was Acting Commissioner at Nanking, after which he was summoned once more to the Inspectorate at Peking to be Acting Audit Secretary. On the 1st April 1929 he was promoted Commissioner while in charge of Ningpo, a charge which he held from October 1927 to April 1929. On return from long leave in September 1930 he was once more stationed at the Inspectorate, first as Audit Secretary, and then—from July 1931 to April 1936—as Financial Secretary. He was reappointed to this latter post in April 1937 and held it to the 15th July 1938, when he withdrew from the Service. He assisted Mr. S. F. Wright (*vide* footnote to I.G. Cir. No. 4251, vol. iv. p. 509) in enlarging and revising the third edition of "China's Customs Revenue since the Revolution of 1911." Mr. Cubbon holds the 4th Class of the Order of the Chia Ho, the Customs Gold Medal for Meritorious Services, and has been honoured by the British Government with the rank of Officer of the Order of the British Empire.

† *Antea*, vol. iii, p. 635 (footnote).

‡ Yves Henri Jean Cloarec was born on the 30th March 1889 at Paris, and, after education at the Lycée Condorcet in Paris and service in the French Navy, was for a time in the department of the Under-Secretary of State for the Navy. He joined the Customs Service on the 13th May 1912, and, before the outbreak of the Great War, served at Shanghai, Hankow, and Moukden. During the war he served in various capacities with the French Navy. On rejoining the Service in April 1918 he was stationed for one year at the Inspectorate in Peking, and served subsequently for a year and a half at Mengtsz before being retransferred to Peking as Acting Service Chief Accountant, a post which he held for the better part of three years. He served again at Shanghai from October 1924 to the end of November 1928, after which he was Acting Commissioner at Lungchow for a year. He was promoted Deputy Commissioner on the 1st October 1929 and Commissioner on the 1st April 1932. From April 1931 to the end of September 1934 he was again on duty at the Inspectorate, this time as Audit Secretary, after which for a year and a half he was in charge of Lappa and the port of Chung Shan. On return from long leave in April 1937 he was appointed first to Swatow, and after six months to Mengtsz, from where he was retransferred to the Inspectorate in June 1938 and appointed Financial Secretary.

§ Henry Eilbeck Hillman was born on the 4th May 1874 at Moville, Co. Donegal, Ireland, and was educated for the British Navy, in which Service he was transferred as Lieutenant to the China Station and stationed for some years on the Yangtze, where he eventually became British Government Pilot. In 1900 he commanded H.M.S. "Woodlark," which, in company with H.M.S. "Woodcock," successfully navigated the dangerous Yangtze Gorges and arrived in Chungking in the summer of that year. On the 1st February 1906 he joined the Marine Department of the Customs Service as River Inspector with headquarters at Kiukiang, where he remained till 1912. In December of that year he was promoted to be Acting Deputy Coast Inspector at Shanghai, and was confirmed as Deputy Coast Inspector on the 1st April 1913. Early in the year following he was transferred to Canton to act temporarily as Harbour Master, a post which he held till the 21st April 1915. On return from war service in March 1919 he was reappointed to Shanghai as Deputy Coast Inspector, and was promoted to be Coast Inspector in July 1924, a



The Commission will sit at Shanghai under the Chairmanship of Mr. Braud.\*

After making themselves thoroughly acquainted with the historical development and the present position of the subject of inquiry the Commission are to consider carefully, and decide:—

- (a) What amount of Tonnage Dues revenue is required annually to ensure full cover for all ordinary and extraordinary expenditure on Lights and Aids to Navigation;
- (b) Whether it would be advisable to levy Tonnage Dues on a gold unit basis on steamers coming direct from abroad and not engaged in the regular coasting trade, and if so, on what scale such levy should be made; and
- (c) What revised scale of Tonnage Dues it would be advisable to put into force, which will ensure the attainment of (a) above, and which will be so graded as to distribute as equitably as possible the burden of the levy according to the facilities enjoyed and the capacity to pay.

To assist them in their work, the Commission have been informed that they are at liberty to request Port Commissioners and other members of the Service for their views on the topics discussed. Such views are to be expressed in writing, or if given orally are afterwards to be committed to writing in order that they may be preserved for future reference. Should the Commission, therefore, approach you for help in carrying out their task you are to render them all the assistance in your power.

Finally, I desire to draw your attention to the Service publication just issued in the Office Series as Customs Paper No. 128 under the title "Tonnage Dues," a copy of which has been sent to you. This pamphlet, which is a useful summary of the question from the

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position which he held till his retirement on the 3rd May 1934. After retirement his services were specially retained on contract for one year as adviser to the Inspector General on pilotage matters. In May 1914 he was appointed to the rank of Commander in the British Navy, and in November 1918 to the rank of Captain. Besides the Mons Star, the General Service Medal, and the Victory Medal, which Captain Hillman holds for his war services, he has been decorated by the Chinese Government with the 5th and 4th Classes of the Order of the Chia Ho, the 3rd Class of the Order of the Wên Hu, and the 6th Class of the Order of the Brilliant Jade.

\* *Vide* S/O Cir. No. 88, *antea*, vol. v, p. 67 (footnote).

historical point of view, is published solely for Customs use and is not to be shown to, or discussed with, Consular or other officials or members of the public generally.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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SEMI-OFFICIAL CIRCULAR No. 100.

**Meteorological observations in China: part played by  
Customs Service in recording such.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 3rd August 1933.

SIR,

In the year 1869 the Inspector General announced his intention to arrange for the establishment of Meteorological Stations in certain Customs establishments (*vide* Circular No. 28 of 1869),\* and thus assist in throwing light on natural laws and bringing within the reach of scientific men facts and figures from a quarter of the globe, which, rich in phenomena, had heretofore yielded few data for systematic generalisation. It was also anticipated that the new Stations would ultimately have at their head an Observatory, associated with the former Peking Customs College known as the T'ung Wên Kwan† (同文館). The latter idea, however, did not materialise, and the development of a meteorological service in China, inaugurated by the Maritime Customs, progressed under the direction of the learned Jesuit Fathers of the celebrated Siccawei Observatory. For many years Father Froc‡ presided over this institution and in course of time became generally recognised as the foremost authority on typhoons. His work in connexion with the circulation of weather forecasts, and particularly typhoon warnings, proved of immense value to shipping—he was more than a mere formal leader of a

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\* *Antea*, vol. i, p. 177.

‡ *Antea*, vol. ii, p. 97 (footnote).

† *Antea*, vol. i, p. 97 (footnote).

formalised institution, and the success which he achieved may be partly attributed to the fact that he mixed, as it were, routine and revolution: it has been said that in the absence of statesmanship routine and revolution alternate, in its presence they amalgamate. During his tenure of office, the Marine Department of the Maritime Customs co-operated with him to the fullest extent in respect of the exhibition of weather signals, etc., along the Coast, and assisted in other ways the useful work of the Observatory in this connexion. When Father Froc retired in 1930 he was succeeded by his Assistant, Father Gherzi, who was placed in charge of the Meteorological Section; and the *personnel* of the Observatory has been recently strengthened by the arrival of Father P. Lejay, an authority of international repute in electrical and gravity research, who has been appointed Director of all the Departments of the Observatory.

I append hereto a copy of a few remarks which I made at a farewell gathering shortly before Father Froc left. It afforded me satisfaction to render a tribute to one whose labours had contributed so much to the safety of navigation on the Coast of China, and whose high scientific attainments were for a long time placed at the service of the community at large.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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ENCLOSURE.

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Mr. Maze's remarks at a function held in connexion with the retirement of Father Froc, and the latter's reply:—

Mr. Maze said: "The approaching retirement of Father Louis Froc is an event of special interest to the Customs Administration, in view of the close co-operation which has happily existed for such a long time between the Observatory and the Service.

"It is interesting to recall that in the year 1869 Sir Robert Hart established Meteorological Stations at certain Offices of the Customs, and, was, I believe, the pioneer of this special branch of scientific

research in modern China. He formed the opinion that our Stations along the Coast and on the banks of Rivers, embracing an area of some 20 degrees of latitude and 10 of longitude, would enable us to record useful Meteorological observations with but little other additional expenditure than that to be met for the purchase of instruments. And I believe that it is generally admitted that the worth of our observations in those early days to the scientific world and more particularly their practical value to mariners in Eastern Seas were recognised.

"A few years later the Siccawei Authorities, following the traditions of the celebrated Order to which they belong, inaugurated a series of local observations and collected much valuable data concerning climatic and other conditions in the neighbourhood; in 1879 a severe typhoon swept over Shanghai and the Siccawei Observatory on that occasion defined the direction which the typhoon would probably take and, as a result of the accuracy of their forecast on this occasion, the Customs Coast Inspector, Captain Bisbee,\* in association with the Chamber of Commerce and the Agents of the Shipping Companies, approached the Observatory with a view to

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\* Aelius Marcellus Bisbee was born on the 22nd October 1841 at Plympton, Plymouth County, Massachusetts, U.S.A. After qualifying for a Shipmaster's Certificate of Competency from the American Shipmasters' Association of New York, Captain Bisbee joined the Marine Department of the Customs Service on the 11th May 1868 as Divisional Inspector and Harbour Master at Foochow, where he remained till June 1875. His next port was Shanghai, where from June 1875 till April 1878 he acted in the same dual capacity as at Foochow. On the 1st January 1881 he was appointed Coast Inspector, the first to hold that position (*vide* I.G. Cir. No. 128),† as well as Shanghai Harbour Master. Captain Bisbee remained in this position till his death on the 7th September 1901. With Captain Bisbee as Coast Inspector and the late David Marr Henderson as Engineer-in-Chief, Sir Robert Hart was enabled to carry out successfully the comprehensive programme of lights construction on the China Coast which marked the last two decades of last century. In the early eighties first order lights were erected at Howki, Dodd Island, South Cape of Formosa, and the South-east Shantung Promontory, to which were added in the nineties the large lighthouses at Laotuehshan and at Waglan. It was during Captain Bisbee's time too that co-operation was established between the Marine Department and Siccawei Observatory for the passing on to shipmasters and ship-owners of the meteorological observations taken at Customs stations and lighthouses all up and down the coast and rivers of China, thereby contributing greatly to the protection of life and property. Captain Bisbee also did much to modernise the equipment of the older lights, and in his time mineral-oil apparatus took the place of the old-time vegetable-oil lamps. Captain Bisbee impressed his contemporaries as being a man of unusual capacity and of marked personality. He held Civil Rank of the 3rd Class and the Order of the Double Dragon, 3rd Division, 1st Class.

† "I have further to inform you that the arrangements notified in Circulars Nos. 10 and 15 of 1868 (*antea*, vol. i, pp. 86-95, 100-101) by which the coast was divided into three sections, northern, central and southern, and each section placed under a Divisional Inspector, has been found unnecessary; the three appointments have been abolished one after another, and instead, one officer is now to be charged with the inspection of the whole coast. For the future, the Harbour Master at Shanghai (*Captain Bisbee*) will be Harbour Master at Shanghai and also Coast Inspector."—Extract from I.G. Cir. No. 128, dated 3rd January 1881.

endeavouring to create a Meteorological Station capable of issuing regular forecasts and thus enabling the public to have advance information of the movements of typhoons in the China Seas. The system thus inaugurated was gradually developed under the distinguished direction of the learned and devoted Jesuit Fathers, and about the year 1896 Father Froc was named Director of the Meteorological Department of Siccawei and with two interruptions, owing to ill-health, he retained that important and responsible post until last year.

“In the course of time, and after the death of Father Algué, of the Manila Observatory, also a Jesuit, Father Froc was recognised as the foremost authority on typhoons in the world, and as such his services to shipping and to humanity in the Far East have been of immense value. To my mind there is something impressively grand and inspiring in the work thus unobtrusively performed by the authorities of the Observatory in respect of typhoon warnings, etc. Here we find a great scientist and mathematician of world-wide reputation like Father Froc placing unreservedly, free, gratis and for nothing, his abilities, knowledge and experience at the disposal of Society! And I believe that in the language of the Poet we may say of him that ‘pleased the Almighty’s orders to perform he rides on the whirlwind and directs the storm.’

“And it is clear that his periodical direction or forecasts in respect of the movements of storms have from time to time saved many a ship from serious damage, if not from total destruction; and it is equally certain that many an anxious mariner in these dangerous seas must have risen up to call him blessed. It affords me much satisfaction, therefore, to have this opportunity of rendering a tribute to his work and to express my appreciation of the courtesies and assistance which representatives of the Customs have always received at his hands.

“While we wish Father Froc much happiness in his retirement, and while we deplore his departure, I should like to state that it must be as gratifying to him as it is to us to reflect that his mantle is falling on such capable shoulders. In Father Gherzi we have, I believe, a successor who will carry on in a most satisfactory manner Father Froc’s responsible duties and maintain the high repute of the Society of Jesus, of which he is a distinguished member. I take this opportunity of wishing Father Gherzi every possible success, and I can assure him that I not only consider it a duty to continue to co-operate where necessary, with the Observatory, but I feel that it is a privilege to do so!”

In reply Father Froc said: "Permit me to express to you the feelings of profound gratitude, mixed with certain confusion which the kind words just spoken by Mr. Maze have awakened in me. In reality my sole merit is to have remained at my post for a long time, and to have done my utmost to fulfil the programme mapped out by the Rev. Father Dechevrens, the originator of our maritime activities, and by the Rev. Father Stanislas Chevalier, of whom I was respectively the successor, then the predecessor, and then once more the successor.

"I should add that, when I was called upon by His Excellency, our President M. Paul Doumer, then Governor General of Indo-China, to institute a service similar to our own, in the neighbouring colony, I had only to fulfil the rôle of a docile student who attempts to make a good copy of the original.

"Allow me also, Mr. Maze, to offer you and that fine Institution, the Maritime Customs, my warmest thanks, in my own name and in the name of the Observatory, as well as in the name of the Marine service of every nation, which, for the last half century, has profited by the Customs Service.

"By ourselves we could never have achieved such a result. What we have been able to do has been brought about with the generous aid which has always been offered to us by the two Municipal Councils, the Chambers of Commerce, the Shipping Companies, the Telegraph Companies, but, above all, by the Chinese Maritime Customs.

"Sir Robert Hart and his successors down to this day have been to us generous and enlightened benefactors; and what shall I say of the Coast Inspectors? Captain Bisbee, Captain W. F. Tyler,\* Captain T. J. Eldridge,† Captain H. E. Hillman,‡ and their subordinates, with whom, I say it with pleasure, our relations have been most friendly and cordial.

"It is thanks to them that we have in China a Meteorological system, complete in every respect, and functioning to the entire satisfaction of all. It is they who have erected those semaphores which repeat the signals the whole length of the coast from Newchwang to Swatow. It is they who have assisted to establish a code of signals which is destined, little by little, it is my firm hope, to become universal for all countries in the world.

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\* *Antea*, vol. iii, p. 343 (footnote).

‡ *Antea*, vol. v, p. 285 (footnote).

† *Antea*, vol. iii, p. 674 (footnote).

"In leaving this work, which has been associated with so many agreeable relations for me, I do so with certain emotion, but without apprehension for the future. You were good enough, Mr. Maze, to make allusion to my successor. During the 12 years that he has so ably seconded my labours, Father Ernest Gherzi has given the most reassuring proofs of his ability. He is at one with me in believing in the capital importance of this service, which, moreover, he has controlled with complete satisfaction during my periods of absence, and for which he will, I am sure, continue to maintain the high traditions of the past.

"Therefore, when our Superiors, a few months ago, while keeping me, so to speak, in the offing, charged him officially with the title of Director of the Meteorological Observatory, I was happy to see this work of aids to mariners placed in such good hands. A work which has been, and will remain, the principal preoccupation of Siccawei. I place, therefore, without fear, this burden on his shoulders; a burden which is not rendered lighter by the addition to our many solitudes of the interests of the gentlemen who navigate the air.

"I am sure I am interpreting aright his wishes in thanking you, in his name, for the flattering manner in which you have bidden him welcome."

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SEMI-OFFICIAL CIRCULAR No. 101.

"Coastwise Lights of China": copy of leader on, from  
"North-China Daily News," enclosing.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 5th September 1933.

SIR,

With reference to S/O Circular No. 71:\*

Intimating that Mr. T. R. Banister, Deputy Commissioner, was engaged in compiling a historical and descriptive review of the Lights Service:

I have to state that Mr. Banister's interesting work, entitled "The Coastwise Lights of China," has now been published and forms a record in a popular form of the valuable services rendered by the

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\* *Antea*, vol. iv, p. 385.

Marine Department of the Customs to navigation, etc., on the coast of China. The book has been favourably reviewed by the local press in Shanghai, and a copy of a leader on the subject, which appears in to-day's "North-China Daily News," is appended hereto.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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ENCLOSURE.

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*Extract from "North-China Daily News" of 5th September 1933.*

*(Leader.)*

COASTWISE LIGHTS.

With the memory of a typhoon fresh in the mind it is fitting to take special note of the illustrated account of the Chinese Maritime Customs Lights Service reviewed to-day on the book page. The China Coast, with its fogs, typhoons and its broken littoral, presents formidable navigation problems. The skipper who can sail the China seas can sail anywhere. Even the Atlantic can show him little new; for icebergs he will meet at times, although they may not achieve the majesty of the Western kind. The telling of the tale which Mr. Banister tells is long overdue. The lighting of the China Coast—and the inland rivers, chief among which is the Yangtze—is one of the romances of the romantic epic of the sea. It bears closely on the progress of China. For the Coastwise Lights have a direct link with Finance. That is perhaps why the Chinese Maritime Customs Lights Service is within the portfolio of the Finance Minister. At all events Mr. T. V. Soong's tenure of office has been marked by a constant alertness in maintaining the Lights Service in a high state of efficiency and abreast of modern requirements. Mr. Soong's acute perception of realities has convinced him that a properly lighted China Coast is a vital factor in the collection of revenue. Without such aids to navigation merchant shipping would be paralysed and trade would languish to the great diminution of the Customs Returns. No stronger evidence of his farsightedness



could therefore be adduced than Mr. Soong's unwavering support of all efforts designed to keep the Service worthy of the traditions so well established by Sir Robert Hart when, in 1868, he was authorised to form the Marine Department of the Customs. With fast ocean liners dashing into China's ports the problem is far more complex to-day than it was sixty years ago. Modern science has fortunately developed its own gifts to navigation, and under Sir Frederick Maze, the present Inspector General, whose personal interest in and knowledge of the subject transcends even the requirements of his high office, most up-to-date equipment and lights have been established—the most recent example being the installation of the three wireless radio beacons at the mouth of the Yangtze for the greater guidance and safety of shipping traffic.

Mr. Banister shows that, right from the days of Sir Robert Hart, the Chinese local authorities have always taken a keen interest in the work of the Service. It seemed as if they were waiting only for some guiding hand to encourage them. The first lighthouse in Canton waters was accidentally established when the *Lintin*, acquired by the Chinese from America, sank in the Pearl River to be dismantled and adorned, as to the seven-foot stump of her foremast, with a lantern for lighthouse duty. The swiftness of this opportunism indicated that a sense of the need for organised aids to navigation was latent among Chinese authorities. And of the way in which the Maritime Service has been manned there is ample ground for China to be proud. To-day it is comprised of about 150 foreigners and over 2,000 Chinese, bound together by a remarkable *esprit de corps* so that Mr. Banister can declare that under "able and energetic leadership they have never failed to give loyal and devoted service, through all kinds of difficulties, and often of serious danger. Many stories could be told of work grimly done, of posts not abandoned in the face of banditry, civil war, and the temporary breakdown of law and order. The great motto might well be 'Carry on,' for undaunted by set-backs and disturbances, this is what the staff of the Marine Department have done, not only Lightkeepers but all other ranks, both Chinese and foreign. . . ."

In these columns a striking illustration of the accuracy of this appreciation was afforded eighteen months ago in the special articles dealing with the "Yangtze's Red Fringe":—

"A mighty river in turmoil spreading destruction and disaster as it swirled with its swollen torrents . . . amid it all, the men of the Maritime Customs on light-boats or light-stations, alone and no less alive to

the danger, carried on and kept the lights burning to the last possible moment. Some of them, when relieved by the officers and men of the River Inspectorate, whose heroism was in keeping with their traditions, were found anchored to their posts in sampans with their lanterns and oil saved after the flood had swept away their houses. . . . No station was left unattended. No vessel plying up or down the Yangtze was endangered or delayed by any failure on the part of the Customs Service to maintain its aids to navigation, even though the skies were literally falling on the river. There are many stories of bravery and fortitude displayed in response to the challenge of the flood. None of them transcends in simplicity and stark steadfastness this of the officers and men of the Chinese Maritime Customs."

With the sister or, perhaps it were truer to say, the derived services in the Postal and Salt Departments, the officers and men of the Chinese Customs have a record of routine heroism fit to rank with that of any in the world. Special attention is thus drawn to Mr. Banister's book, because it is sometimes felt that the public takes too much for granted the elaborate organisation by which the trade and commerce of China is able to function. There is another reason. In recent years China has availed herself of the technical knowledge of experts provided by the League of Nations. The services of these able men have been admirable and attracted well-merited commendation. In the construction of roads, the organisation of health services, the review of educational problems, the examination of economic conditions, investigators under the auspices of the League have performed and are performing useful work. Their labours have been anticipated and supplemented by what might be termed missionary enterprise in the relief of sufferers from the floods, in the repair of dikes and in the spread of medical aid. Yet it would be unfortunate if gratitude for and appreciation of such assistance were permitted to obscure the excellence of services which have steadily been forthcoming for over sixty years without advertisement and with the expectation of no reward except that of official approval. "The Coastwise Lights of China" now stands to prevent any such dereliction in the duty of giving honour where honour is due.

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## CIRCULAR No. 4683 (SECOND SERIES).

Wrecks, removal of: procedure to be followed; I.G.'s instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, <sup>3rd</sup>  
15th August 1933.

SIR,

1.—Experience has demonstrated the need for more precise instructions in relation to the removal of wrecks than those contained in Circular No. 724,\* supplemented by Circulars Nos. 2384 and 3998.

2.—The law governing wreck removal requires that “whenever any vessel is sunk, stranded, or abandoned in any river or harbour of China, or in or near the approaches thereto, or in or near the usual track of vessels along the coast of China” in such a position as to become, or as to be likely to become, an obstruction or danger to navigation, it shall be removed at the expense of the owners. This is the fundamental purpose of the law, and what follows after is subsidiary to this main purpose.

3.—The only organ empowered by law to determine whether a wreck does or does not constitute an obstruction or a danger to navigation is the Customs acting through “the Commissioner of Customs of the nearest port.” But Customs responsibility does not stop there. If the Commissioner decides that the wreck is an obstruction or danger to navigation, he must at once take possession of the vessel and cargo and notify the owners that they will be permitted to proceed with salvage operations only on condition that within three days of notice received they produce a legal, that is to say, enforceable, guarantee that within a time limit to be determined by the Commissioner they will completely remove the wreck and will bear all expenses of marking and lighting it until removal is accomplished. Failing the production of a suitable guarantee within the prescribed limit of three days, the Commissioner must himself proceed with the removal of the wreck, and in order to provide for the expenses incidental thereto, he must sell all cargo and material salvaged, handing over to the owners any surplus left after settlement of such expenses and claiming from the owners, if necessary by suit, any deficiency arising in regard to such expenses.

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\* *Antea*, vol. ii, pp. 70–76.

4.—A study of the foregoing makes it at once apparent that from the time of the wreck until the expiration of the three days notice given to the owners for the production of the legal guarantee specified in § 3, the Customs have only a contingent interest in the salvage of the vessel and cargo. But it is equally apparent that delay in proceeding with salvage operations is detrimental to that contingent interest as well as to the interest of the owners. I have therefore to instruct you that whenever a wreck occurs, the Commissioner of the nearest port is at once to issue a notice couched in the terms of the appended *pro forma*. The purpose of issuing a notice of this nature without waiting to ascertain whether an obstruction or danger to navigation has occurred is to allow salvage operations to be undertaken immediately, while at the same time providing for the eventuality of responsibility for wreck removal devolving upon the Customs. It is essential, therefore, that salvage operations should be entrusted only to concerns approved of by the Customs, and it is equally essential that the owners and other parties interested should know at once that they are not permitted to enter into a contract with any salvage company without the written consent of the Customs. You should be careful to see that in the absence of a suitable guarantee, no contract is accepted which does not embody a clause vesting ownership of vessel and cargo in the Customs at once and until such time as the Customs may in conformity with the law divest themselves of such ownership.

5.—It will also be observed that the owners are not relieved of their responsibility for the expenses of wreck removal except in so far as such expenses are met from the proceeds of sale of cargo and material when salvage operations are undertaken by the Customs, and the general experience has been that large deficits have occurred, which have been extremely difficult and in some cases impossible to recover. To minimise the risk of loss to the Customs, you are in future to apply at once to the law courts for an injunction against the payment of any insurance moneys which may be due to the owners until all Customs claims have been settled. It is to be noted, however, that this injunction is not to be applied for in respect of cargo which has been insured and which is not the property of the owners of the vessel.

6.—With regard to the protection of cargo and material before and during salvage operations, it must be borne in mind that we are interested only in what is or may become our property and that consequently it is no part of our functions to afford protection when salvage operations are not being undertaken by the Customs. When protection is desirable, you should, before proceeding to furnish it,

satisfy yourself that the protection contemplated is not going to involve you in expense which is not justified by the value of the cargo it is expected to save.

7.—It is as well to add a word concerning insurance companies who are not always well acquainted with the law. Whenever the Customs undertake salvage operations and insurance companies lodge claims in respect of cargo salvaged, it should be explained that the Customs are acting in accordance with the law of China and that, as the law invests ownership of the cargo in the Customs, their claims cannot be admitted.

8.—Finally, should the execution of the law bring you into conflict with individuals or concerns enjoying extraterritorial rights, you should refer them to their national authorities, communicate their representations to myself, and at the same time continue to carry out the provisions of the law.

I am, etc.,

L. H. LAWFORD,

*For Inspector General.*

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ENCLOSURE.

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TO WHOM IT MAY CONCERN.

Whereas it has been reported to me .....  
 Commissioner of Customs of the port of.....that  
 the.....has become a wreck and is, or is  
 likely to become, an obstruction or a danger to navigation, I now  
 give notice that any contract entered into for the salvage of the said  
 vessel and/or for the salvage of cargo contained in the said vessel  
 which has not first been submitted to me and been approved by me  
 in writing shall be held to be null and void.

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## CIRCULAR No. 4700 (SECOND SERIES).

**Duty treatment: materials salvaged from wrecked self-propelled vessels to be determined in future according to whether the vessel is wrecked within or outside Chinese territorial waters; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *28th August 1933.*

SIR,

The question of the duty treatment of materials salvaged from wrecks, as distinguished from vessels brought into port to be broken up, was first dealt with as far back as 1879, when Circular No. 88 laid down rules which differentiated between the duty treatment to be accorded to wrecks occurring inside the harbour and that to be accorded to wrecks occurring outside harbour limits. These rules, so far as they concern self-propelled vessels, have remained unchanged to this day. In 1921 the question of the duty treatment of materials salvaged from junks formed the subject of Circular No. 3247, which conveyed a ruling of the former Shui-wu Ch'u that such salvage when brought into port was to be passed duty free regardless of where the junk was wrecked. Conditions, however, at that time were evidently not considered such as to warrant proposing at the same time to the Ch'u a revision of the ruling of Circular No. 88 in respect of materials salvaged from the wreck of self-propelled vessels.

When referring recently for instructions on the duty treatment of materials salvaged from a steamer sunk in collision in the Whangpoo River, the Shanghai Commissioner solicited at the same time a more precise general ruling in regard to the duty treatment of salvage imported from self-propelled vessels. I therefore took the opportunity of placing the matter before the Kuan-wu Shu and expressed the opinion that, in view of the vastly changed conditions which have taken place since the existing instructions were issued, to continue to make the duty treatment to be accorded to materials salvaged from wrecked self-propelled vessels depend upon whether the vessel is wrecked inside or outside harbour limits seemed hardly suitable. I also pointed out that the unsuitability of making this the determining factor in the case of materials salvaged from junks had already been recognised, and proposed therefore that if it were still considered desirable that the place where a vessel is wrecked should

determine the duty treatment of materials salvaged therefrom, it would be more logical to substitute territorial waters for harbour limits, passing duty free on import materials salvaged from self-propelled vessels wrecked within Chinese territorial waters and levying duty on materials salvaged from vessels wrecked outside Chinese waters. I added that the only alternative solution seemed to be to levy duty on all materials salvaged from the wrecks of vessels which had not paid duty, or were not made in China from duty-paid materials, but that I recommended adoption of the first proposal as imposing the minimum of hardship on shipping while at the same time presenting no difficulty in its application.

From Shu despatch No. 10419 in reply, of which a copy is appended, you will see that the adoption of my first proposal has been sanctioned.

Accordingly, in future, all materials—as distinct from cargo—salvaged from self-propelled vessels wrecked within Chinese territorial waters are to be passed duty free, while duty is to be levied on all materials salvaged from such vessels wrecked outside Chinese territorial waters, unless, of course, the materials are salvaged from a vessel on which duty has already been paid or a vessel constructed in China from duty-paid materials. By Chinese territorial waters in cases of this sort is to be understood a limit of 3 marine miles from the coast-line outwards, measured from low-water mark.

As regards the Tariff headings to be applied, you should be guided by the nature of the material salvaged, *e.g.*, steam engines and parts thereof, if still fit for their original use, would come under Tariff No. 248, steam boilers and parts thereof under Tariff No. 249, compasses under Tariff No. 630, iron and steel, fit only for remanufacture, under Tariff No. 208, brass under Tariff No. 157, copper under Tariff No. 168, used chain under Tariff No. 180, parts or materials of vessels, *n.o.p.f.*, under Tariff No. 255, etc.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

ENCLOSURE.

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財政部關務署指令則字第一〇四一九號中華民國二十二年八月二日

令總稅務司梅樂和

呈一件據江海關呈華輪沉沒起出之材料應如何待遇征收等情謹擬征免辦法請核示遵行由

呈悉經已函准國定稅則委員會議復前來爲便利施行起見對於沉船起出之材料應准適用所擬第一

種辦法以領水界限爲征免標準卽凡在我國領水界限以內沉沒而起出之材料概予免稅其在領水界

限以外沉沒而起出之材料應行征稅仰卽遵照此令



## CIRCULAR No. 4705 (SECOND SERIES).

**Lights and aids to navigation: reprint of article on,  
from London "Times."**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 31st August 1933.

SIR,

It affords me satisfaction to append hereto for permanent record a copy of an article which recently appeared in the London "Times" entitled the "Waterways of China" and which refers in a eulogistic manner to the Maritime Customs Lights Service.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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ENCLOSURE.

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THE WATERWAYS OF CHINA. THE MEN  
WHO KEEP WATCH.

("The Times," 21st July 1933.)

Typhoons do not tell the whole story of the Chinese Seas. Fog may assail the shipping on the Chinese coast at almost any time, and storms independent of the typhoon are frequent. The coast itself is as dangerous and the sets of its tides as treacherous as any in the world. Casual islands and shoals demand the utmost vigilance, and the seamen who man Chinese junks are no mean masters of the ancient craft of navigation.

Yet the lighting of the China coast is not a century old. The National Lighthouse Service was founded about the middle of the nineteenth century by Sir Robert Hart, who was authorised by the Government of the day to start a system of lighting for the benefit of navigation. Sir Robert possessed himself of a few qualified

experts, and he and this handful of foreigners established the nucleus of a service which, in the Chinese Maritime Customs, now provides guidance not only to ships at sea but to the countless craft navigating the rivers of China and in particular the Yangtze.

The romance of the Marine Department of the Chinese Maritime Customs has yet to be written. This organisation, originated by Sir Robert Hart and his devoted helpers, has developed unobtrusively, and its traditions and efficiency have been maintained by Sir Frederick Maze, its present Inspector General.

For many years the activities of bandits on the Yangtze have necessitated the presence of strong naval flotillas of foreign nations. Yet, throughout all, the beacons and the light-boats of the Marine Department have stuck to their job. They have seen their work undone by bandit attacks, but they have philosophically returned at once to repair it as soon as the naval forces have cleared a way or they themselves have been able to get their own craft up to the affected spot.

#### CONSTANT DANGER.

On the coast pirates have interfered with their beacons and lighthouses. Even now two foreign lighthouse-keepers in the employ of the Customs are in the hands of pirates and their fate is unknown. Many Chinese in the employ of the Marine Department have lost their lives in the performance of their duty. A high standard of *esprit de corps* extends to the humblest worker in the Marine Department and seems to be stimulated by the constant danger encountered. Last year, for example, when the Yangtze bore down in torrential floods as the result of abnormal rainfall, men and women in the huge valley were swept away and thousands escaped to the hills. All this time the men of the Maritime Customs on light-boats or light-stations, alone and no less alive to the danger, kept the lights burning to the last moment. Some of them, when relieved by the officers and men of the River Inspectorate, whose heroism was in keeping with their traditions, were found anchored to their posts in sampans with their lanterns and oil saved, after the flood had swept away their houses.

The Inspectorate kept patrol in launches and supplied the lightkeepers with food and stores. They hired junks temporarily to overcome the exhaustion of their reserves of craft. No station was left unattended. No vessel plying up or down the Yangtze was endangered or delayed by any failure on the part of the Customs Service to maintain its aids to navigation.

## TREACHEROUS RIVERS.

Hankow is about 40 feet above the level of Woosung. Chungking is about 416 feet above Ichang. From Hankow to Woosung is about 600 miles; from Chungking to Ichang the distance is about 400 miles. These figures give an idea of the difference between the Upper and the Lower Yangtze. From Ichang it is a leisurely flowing river compared with the stream which rushes down that steep slope from Chungking to Ichang. At one point the actual "gradient," as the railway engineers would say, is something like 1 in 15. The pilot service of the river thus has to face some of the trickiest problems to be found anywhere in the world. There are the ordinary whims of the current, the shallows, the ever-shifting deep channels, and those mysterious forces which, so the river-yarn goes, can suck down a live man and deposit his body somewhere miles away from the scene of his disappearance. At Hankow the River Inspectorate controls the stretch from Ichang to within 80 miles of Shanghai. From Ichang to Chungking the Ichang Inspectorate rules, studies the ways of the rapids, plots the blowing up of obstructions like the Kingling Tang [Kunglingtan] Rock—the work has to be postponed to next year because the river did not drop low enough last season,—and generally acts as god-mother to the ships.

For the last five years or so bandits have waylaid the staff engaged in marking out channels for navigation. They have removed beacons and buoys—which have been promptly restored—and have subjected the Customs launches to such assiduous malignance that those craft now have to be protected by metal plates and shut up like sardine tins. Near Anking, the capital of Anhwei, there is Christmas Island, a favourite spot for the bandits in the Lower Yangtze. Twelve robberies of lighthouses or light-boats occurred there in 1931.

But the work proceeds, the course is kept open. The Tungting Lake has been lately surveyed. Improved marks have been established, and the River Inspectorate has added to its store of knowledge and given it to the river public in thousands of notices. Looking at the country through which the Yangtze flows, the impression of suitability for the bandit trade is often all too clear. Whether the traveller gazes in wonder at the Little Orphans—to which the makers of cameras and films owe a small fortune—or notes the silenced gun at the top of Matung Bluff, where the Yangtze is at its narrowest, or yearns to penetrate into the age-old history of Pengtsa, with its wall running up hill and down dale, a recent

victim of bandit attacks, he realises how easy it has been for the "Soviet Government of China" to flaunt its slogans and Communist-jargon in the more distant reaches of the river. He also pays all the more fervent tribute of admiration to the Services—naval, pilot, and Customs—which help the captains of the Yangtze ships to conduct their freight and fares from Shanghai to Chungking and back.

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CIRCULAR No. 4708 (SECOND SERIES).

**Regulations for the control of towed vessels: promulgated by  
Chiao-t'ung Pu: to be given effect to after three months  
from 1st September 1933; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 4th September 1933.

SIR,

With reference to Circular No. 2837:\*

Instructing, *inter alia*, that foreign-type cargo-boats might be allowed to be towed on the Yangtze and Siang Rivers provided that they were approved as fit for such traffic by Customs authorities:

to Circular No. 4295,† § 9:

Notifying, *inter alia*, the discontinuance of all Customs functions in connexion with the survey, inspection, and measurement of vessels, which would be undertaken by the Navigation Bureaux of the Ministry of Communications, except at Canton, where the survey of ships and their equipment would remain in the hands of the local authorities pending the establishment of a Navigation Bureau at that port:

to Circular No. 4392:

Notifying that as regards the measurement, inspection, and survey of vessels, the Customs in Kwangtung, Kwangsi, and Fukien were to continue to carry out such functions in accordance with past practice:

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\* *Antea*, vol. iii, pp. 447-459.

† *Antea*, vol. iv, p. 535.

to Circular No. 4459:

Conveying instructions that as soon as a Navigation Bureau under the control of the Ministry of Communications had been established at Canton, the Customs in Kwangtung, Kwangsi, and Fukien would cease to perform all functions in connexion with the survey, measurement, and inspection of vessels:

to Circular No. 4593:

Notifying that the functions hitherto performed by the Canton Customs in connexion with the survey, measurement, and inspection of vessels were duly handed over to the newly established Harbour Administration Bureau for the Kwangtung Province and that all other Customs in Kwangtung had been directed to hand over these functions to the representatives of the Bureau upon being requested to do so:

and to Circular No. 4349:\*

Conveying the Government's instructions that before 1st January 1932 all Chinese vessels of 20 tons gross tonnage or 200 piculs capacity or over were to be provided with a Certificate of Nationality to take the place of Chiao-t'ung Pu Chihchao, Ch'uanp'ai, Junk Licences, etc.:

I have now to circulate, for your information and guidance, copy of Kuan-wu Shu despatch No. 10098, enclosing copy of a set of regulations for the control of towed vessels (拖駁船管理章程), from which you will see (1) that from 5th June 1933, being the date on which these regulations were promulgated, every vessel used as a tow is to apply to the Ministry of Communications either direct or through a local Navigation Bureau for registration and issue of a Permit to be Towed (拖駁船執照), (2) that commencing from the same date, with the exception of those vessels used as tows which have already obtained, before the promulgation of the regulations, Certificates of Nationality and which are to be allowed temporarily to be cleared by the Customs on production of such Certificates, no towed vessels should be cleared by the Customs without production of a Permit to be Towed issued by the Ministry of Communications, and (3) that the measurement and inspection of such vessels will be undertaken by the local Navigation Bureaux of the Ministry of Communications.

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\* *Antea*, vol. iv, p. 622.

Upon my representations the Kuan-wu Shu have notified in their despatch No. 10594, of which a copy is also appended, the Chiao-t'ung Pu's approval of my recommendation to grant three months' grace before the enforcement of the regulations.

You are therefore requested to act accordingly and to note that the three months time limit is to begin from 1st September 1933 and that on and after 1st December 1933, with the exception of those vessels used as tows which have already obtained Certificates of Nationality and which may be cleared temporarily on production of such Certificates, no towed vessels are to be granted clearance unless Chiao-t'ung Pu's Permit to be Towed is produced.

A notification to the above effect should be issued in consultation with your Superintendent.

You are also requested to note that in the ports of Kwangtung province the Harbour Administration Bureau should for the present be regarded as having the same status as the Navigation Bureaux in the ports of other provinces, and that in other provinces where the Navigation Bureau is not in existence the Customs should continue to carry on the functions of measuring and surveying vessels used as tows and of issuing the necessary Permits to be Towed.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## CIRCULAR No. 4709 (SECOND SERIES).

**Native sugar shipped coastwise: procedure in cases where foreign sugar is declared, or found, to be blended in; I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 7th September 1933.

SIR,

The Shanghai Commissioner recently raised the question as to the procedure to be adopted when dealing with cases where native sugar, declared as such at the Chinese port of shipment, is found to contain a proportion of foreign sugar intermixed with the native product.

From my despatch No. 24303/148371 in reply, appended hereto, you will see that the presence of foreign sugar mixed in a consignment declared to be native is to be considered as *prima facie* evidence that the foreign element in the mixture did not pay import duty on entry into China, since it is highly improbable that a merchant would be willing to blend import-duty-paid foreign sugar with the native article and then pay full interport duty on the mixture, when the foreign element of the mixture could be shipped separately under duty-free documents.

You are accordingly to inform those interested that any applicant wishing to ship native sugar to another open port in China is henceforth to declare on his Application whether his cargo is pure native sugar or a blend of foreign and native sugars, and, if the latter, to state what the proportions of the two ingredients are and the grade or quality of the foreign sugar in the mixture. In case there is an admixture of foreign sugar, the applicant is to be called on to produce proof that this foreign admixture has paid import duty, and every care is to be taken to see that such proof is genuine and covers correctly the quality of the sugar blended. Failing production of this proof, the cargo is to be confiscated. Should, on the other hand, satisfactory proof be produced, the blended product may be passed for shipment to another open port on payment of full interport duty. No allowance is to be made for the foreign import-duty-paid element. On its arrival at port of destination a consignment of such blended sugar is to be carefully examined to see that it agrees exactly with the description given on the documents from the port of shipment. Discrepancies in such

latter cases are to be dealt with by the Customs at the port of destination according to the evidence and the gravity of the offence committed.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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ENCLOSURE.

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*The Inspector General to the Shanghai Commissioner.*

Commrs. No. 148371.

1st September 1933.

Shanghai No. 24303.

SIR,

I am directed by the Inspector General to acknowledge receipt of your despatch No. 25968:

Submitting your comments, as called for by I.G. despatch No. 24220/147953, on I.G. despatch No. 2430/147949 to Kiungchow in connexion with the confiscation of 138 bags of white sugar by the Kiungchow Customs; and soliciting instructions as to the procedure which you should adopt in future when dealing with cases where native sugar declared as such at the Chinese port of shipment is found on arrival to contain a certain proportion of foreign sugar intermixed with the native product:

and, in reply, to say that he agrees with your contention that the presence of foreign sugar mixed in a consignment declared to be native is *prima facie* evidence that the foreign element in the mixture did not pay import duty on entry into China, since it is not likely that a merchant will be willing to blend import-duty-paid foreign sugar with the native article and then pay full interport duty on the mixture, when the foreign element of the mixture could be shipped separately duty free under a foreign pass. On the other hand, he



cannot see eye to eye with you when you state that there is no Customs ruling whereby foreign sugar is not allowed to be blended in various proportions with native sugar. True, there is no regulation forbidding blending *per se*, but if that blending is carried out with the ultimate object of shipping to some other open port or inland the blended product, the foreign element of which we are reasonably certain has not paid import duty, then the process beyond question is from the Customs point of view not merely a reconditioning one, but a very special reconditioning process, which, in view of the high import duty involved, should not be carried out except with Customs permission and under Customs supervision. These considerations together with the treaty right by which "The Chinese Authorities at each port shall adopt the means they may judge most proper to prevent the Revenue suffering from fraud or smuggling" (*vide* Treaties of Tientsin, Br., Port., Den. XLVI, Neth. XII, Sp. XLII, Jap. Trade Regs. XXX, etc., etc.) afford fully sufficient ground for Customs action in confiscating consignments declared to be native sugar, but found on examination to contain an intermixture of foreign sugar.

Confiscatory action in cases of this sort, it should be noted, is not at variance with the established Customs practice of treating as native for duty purposes goods made up in China from duty-paid foreign materials, combined or not with native materials. That is a practice which in the past has been sanctioned on the clear understanding that it was a privilege not to be abused by the perpetration of frauds on the revenue. At the time of its origin, indeed, such frauds could be only of minor importance, as at that time both the Import and the Export (Interport) Tariffs were on the same low level of five per cent. To-day, however, with a greatly increased Import Tariff such frauds are much more likely, and, if perpetrated, involve a much greater loss to the revenue; but should such frauds appear, the Customs have the right, as they have always had, to modify or abolish the practice for any specific article or articles in connexion with which fraud has been perpetrated. The very foundation of the present practice is the reasonable certainty of the Customs that import duty has been paid on the foreign materials composing the articles treated as native for export or interport shipment; but the instances of blended foreign and native sugar which so far have come under Customs cognizance do not come into this category. On the contrary, they come into the category of goods of which the Customs are reasonably certain that the foreign constituents have not paid import duty but have been smuggled. It is beyond question that applicants have carefully concealed from

the Customs the fact that the sugar shipped as native was in reality a blend of foreign and native sugars, and have left it to the Customs to discover this by analysis and test. Such action in itself is sufficiently suspicious, but when we add to this, knowledge of the facts that foreign sugar has to pay an unusually high rate of import duty, and that in consequence large quantities of this article are smuggled into the country, suspicion becomes a practical certainty that these consignments of blended sugar are, so far as the foreign component part is concerned, not made up of duty-paid materials. In these circumstances the applicants' act of concealment is tantamount to a fraud on revenue and is punishable as such.

On the basis of the foregoing we might well continue to let things stand as they are, continuing to test each consignment of sugar shipped and to punish by confiscation every case where we find irrefutable evidence of blending having taken place without declaration. Such a course, however, errs perhaps on the side of harshness, and it will probably make for more harmonious relations with the dealers in sugar if we were to adopt some such procedure as that outlined in your despatch. You are therefore authorised to inform those interested that in future you will call upon any applicant wishing to ship native sugar to another open port in China to declare whether his cargo is pure native sugar or a blend of foreign and native sugars, and, if the latter, to state what the proportions of the two ingredients are and the grade or quality of the foreign sugar in the mixture. In case there is an admixture of foreign sugar, the applicant is to be called on to produce proof that this foreign admixture has paid import duty, and every care is to be taken to see that such proof is genuine and covers correctly the quality of the sugar blended. Failing production of this proof, the cargo is to be confiscated. On its arrival at port of destination a consignment of such blended sugar is to be carefully examined to see that it agrees exactly with the description given on the documents from the port of shipment. Discrepancies in such latter cases are to be dealt with by the Customs at port of destination according to the evidence and the gravity of the offence committed.

I am, etc.,

L. H. LAWFORD,

*Chief Secretary.*

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## CIRCULAR No. 4720 (SECOND SERIES).

**Archives, destruction of: Special Certificate of Import, issue of: ports authorised where necessary to destroy ships' covers after five years, but before doing so to issue on application Special Certificate of Import to cover foreign goods imported for more than four years for which merchants desire to retain re-export privileges; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 25th September 1933.

SIR,

1.—The question has recently arisen whether, in view of the abolition of drawbacks, the time limit of 10 years laid down by Circular No. 752\* as the minimum period for the retention of ships' covers, Import and Export Applications, etc., cannot be reduced. The comments of port Commissioners, who have been invited to give their opinion in the matter, show that most are agreed that the above time limit is unnecessarily long and that a shorter period, such as five years, should meet all requirements. A difficulty exists, however, with regard to foreign re-exports which are entitled to duty-free treatment on shipment coastwise or abroad provided that proof of original payment of duty is produced, no time limit

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\* 1.—The gradual accumulation of documents in the archives is causing inconvenience at certain offices, and in consequence authority is from time to time requested for the destruction of those relating to back years. To remedy this accumulation, I now authorise you to deal, as a tentative step, with the archives as follows:—

- 1°. Correspondence with the Inspectorate, with Commissioners, with Chinese officials, and with the public; returns books, staff record books, and memos. of service; accounts books and vouchers—all these should be preserved, and in such manner as to be always easy of access for reference.
- 2°. Inward telegrams, once they have been checked with the despatches confirming them—*vide* Circular No. 608, Second Series,—and the MS. of the Quarterly Trade Returns, once they have been checked with the published volume, may be destroyed.
- 3°. MS. of published Annual Returns, transit applications, drawback applications (when distinct from the application to ship), summaries of cargo, opium movement books, opium-label butts, permits to ship and land, and cancelled bonded warrants should all be kept three years, on the expiration of which term they may be destroyed.
- 4°. Ships' covers, including consular report, report of arrival, import and export applications, duty sheets, manifests, etc., etc., should be kept 10 years; after the lapse of that time they may be destroyed.

2.—Special attention should be paid to the keeping of these archives year by year and in such manner and place that reference to them when necessary is easy, and that when the time comes for destroying any of them, no documents of more recent date than those now prescribed can be mixed up with documents destroyed.

having so far been laid down for this privilege. If, therefore, archives are destroyed after five years, it would be impossible, in accordance with present procedure, to verify payment of duty on re-exports which had been imported five or more years previously, while, on the other hand, to charge duty in such cases, when there is no reason to suspect the applicants' *bona fides*, would give justifiable cause for complaint. To overcome this difficulty the Hankow Commissioner has suggested that a Special Certificate of Import should be issued on application to cover foreign goods for which merchants desire to retain re-export privileges for a longer period than five years, or whatever period is now laid down for the retention of these archives.

2.—I accordingly referred the matter to the Kuan-wu Shu and recommended that the minimum time limit for the preservation of ships' covers, including Import and Export Applications, manifests, duty sheets, Consular reports, etc., should be reduced from 10 to five years, but that in order not to deprive merchants of re-export privileges for foreign goods after the lapse of this time, a new form called a "Special Certificate of Import" should be issued on application for foreign cargo which had already been imported for over four years and which, on presentation of this Certificate, would continue to be allowed free re-exportation. From the appended Chinese correspondence you will observe that the Kuan-wu Shu have approved my suggestions, but lay down that the Special Certificate of Import is to become null and void on the expiry of 10 years from the date of original importation into China of the cargo which it covers.

3.—I have, therefore, to authorise ports at which the preservation of archives for the periods now in force presents difficulties, to destroy ships' covers, *i.e.*, the documents enumerated in § 1, 4°, of Circular No. 752, after the lapse of five full years. Nine months before such destruction of archives takes place, however, the Commissioner is to issue a public notification warning merchants that those who still have in stock foreign goods which have been imported for four years or over and who desire to retain the privilege of re-exporting them duty free should apply within six months from the date of the notification for a Special Certificate of Import to cover the goods in question, failing which on subsequent re-exportation the goods will be charged duty. When such applications are received, the Customs, before issuing a Certificate, should demand proof and, if necessary, send a Customs officer to verify that the goods are still locally in stock in order to guard against possible abuse.

4.—The new form of Special Certificate of Import, [C.—150], to be issued is on the lines of the present Import Application with certain necessary alterations in the heading and wording and is printed on blue erasure-proof paper like the Shanghai Customs Passes. Ports requiring a supply are to submit indents to the Statistical Secretary in the usual manner. The applicants, themselves, are to fill in particulars on the Special Certificate, blank forms of which are to be sold to them at a small charge to cover the cost of printing, etc., and are to hand in the forms to the Customs in duplicate. After the particulars have been carefully checked and found to agree with those in the Customs archives, one copy is to be signed and sealed and returned to the merchant, while the other is to be kept on file under lock and key in the Custom House to provide an additional check when the goods covered by the Certificate are eventually re-exported. The date of expiry of the Certificate, *i.e.*, 10 years from the date of original importation of the goods into China, is invariably to be filled in on the Certificate in the space provided for the purpose, and merchants are to be given to understand that after this date re-export privileges for the goods in question will not be allowed.

5.—Ports which intend to avail themselves of this new procedure are to report the fact by despatch for purposes of record. I need hardly add that before destruction of the archives takes place the greatest care should be taken to see that archives of more recent date than five years are not mixed up with the documents to be destroyed.

6.—Finally, you are to note that the instructions of Circular No. 752 regarding the periods for the preservation of archives, other than ships' covers, remain unchanged. In order, however, to attain uniformity of practice at the ports, I have decided that in future the destruction of archives is to take place at the end of the September quarter, and that the actual date, together with particulars of the documents burnt, is to be reported by memorandum addressed to the Chief Secretary. When ships' covers are to be destroyed after five years, therefore, the notification regarding issue of Special Certificates of Import is to be issued at the beginning of the year.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

總稅務司呈 關務署文第四二八〇號 中華民國二十二年五月一日

呈爲呈請事竊查海關對於各種報關單輪船艙口單以及稅單等各項檔卷向係保存十年逾期悉予銷燬而近年以來各口貿易日漸增加所有歷年積存各種單據爲數甚多因各關房屋有限已感無處庋存此項保存年限似宜酌量縮短以免積存過多佔據有用關屋惟以按照各關需要情形或有未能盡同之處是以職前曾令飭各關稅務司詳議具復去後嗣據先後呈復僉稱海關所以保存各種報關單艙口單稅單等檔卷無非爲備資稽考起見其中以洋貨進口報單最爲重要此種單據存儲既久爲數即多現在海關對於洋貨復出口辦法較前稍異洋貨存票制度業經取消此項關單等檔卷存儲年限自可酌爲縮短况紙張易於發生火險尤應防患未然擬請將關單等檔卷保存年限改爲三年或五年逾期即行銷燬以免徒存塵牘等情前來經職詳加審核後現擬將各該項報關單艙口單稅單等檔卷保存年限改爲五年凡各關舊檔已逾五年者即予銷燬庶可騰出所佔關屋以敷使用惟查已完進口稅之洋貨若報運復出口往外洋或至其他通商口岸者應予免稅放行倘查無已完稅項憑證則斟酌情形照章徵稅然商人往往用他貨頂替或偽造憑證朦蔽海關希圖免稅復運出口海關爲防杜此項弊端起見必須檢查往發單據以資考證今若將關單等檔卷保存年限改爲五年嗣後遇有商人報運進口已過五年之貨物復運出口時除江海關向有進口洋貨副報單及已完進口稅洋貨憑證（即洋貨派司）已將貨色數量標記等載入可資查考外所有其他未經施行此項辦法之各關舊案既已無存究竟應否責令重行納稅實屬無從憑斷而在商人方面以爲從前既已完過進口稅項勢必不肯重納屆時雙方必起糾紛自應設法補救

以期兼籌並顧故職現擬同時採用一種進口洋貨特別憑單以後除江海關外凡洋貨在原進口之口岸已滿四年或四年半者商人如欲保留該貨復出口權利應向海關請領此項憑單以備將來報運復出口至於該項憑單之式樣擬定爲正副兩張或兩聯單式俾將來以一聯發給商人收執以一聯留關存查所有貨物原進口日期及貨色數量標記號碼等項均應詳細載入單內並加蓋特製戳記以防奸商偽造其性質則與江海關洋貨憑證大致相埒以後商人如將貨物復運出口往外洋或至其他通商口岸一經海關查驗單貨相符即予免稅放行但在事實上洋貨進口已滿四五年而復運出口者究屬少數故將來如實行採用此種特別憑單時管理上當不至發生困難所有擬議將各關報關單船口單稅單等項檔卷保存年限改爲五年並採用進口洋貨特別憑單各緣由是否有當理合備文呈請

鑒核令示祇遵謹呈

財政部關務署長沈

財政部關務署指令政字第一〇一五三號中華民國二十二年六月三十日

令總稅務司梅樂和

呈一件各關關單等項檔案向以保存十年爲限現因積存過多皮藏困難擬將保存年限改爲五年其在五

年以上之舊檔予以銷燬並擬採用進口洋貨特別憑單以資管理是否有當請鑒核示遵由

呈悉所請將各關報關單輪船艙口單以及稅單等各項檔卷保存年限改爲五年並採用進口洋貨特別憑單以資補救各節尙屬可行應准照辦惟此項特別憑單之有效期間應自該項貨物進口之日起算以十年爲限江海關並應一律遵照此項辦法辦理以免紛歧仰即遵照此令

## CIRCULAR No. 4734 (SECOND SERIES).

**Voyage Books: for Chinese steam and motor vessels: Kuan-wu Shu  
authorise permanent adoption of system; new form of  
Voyage Book introduced; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 17th October 1933.

SIR,

1.—The reports called for by Circular No. 4414\* show that the Voyage Book system, which was introduced as a trial measure from the 1st June 1932, has on the whole proved very satisfactory. I accordingly recommended to the Kuan-wu Shu that it should be adopted permanently, and, as you will see from the appended despatch, the Shu have now signified their approval of this proposal.

2.—As was only to be expected, experience has shown that the present form of Voyage Book is in many ways unsuitable, and a new form has therefore been devised, based mainly on various port Commissioners' suggestions. This new form, which has also been approved by the Shu, is to be introduced gradually when the Voyage Books in use at present require replacement or as may otherwise be found convenient. It is hoped that the form will be found suitable for every district and under whichever set of regulations a Chinese steamer or motor vessel may ply. If, however, after a three months' trial, a port finds that, owing to special local conditions, the form is quite unsuited for any particular class of vessel, the Commissioner should report the fact and submit his recommendations for a special form to be adopted locally. It is to be noted, however, that the enforcement of one uniform type of Voyage Book throughout China is to be preferred if at all possible, and Commissioners should therefore not suggest the adoption of a special local form unless they consider such a step essential for the sake of efficiency.

3.—The most important changes in the new Voyage Book, as you will observe from the appended *pro forma*,† are the omission of the Clearance Permit and Certificate of Arrival at Open Port and the adoption throughout the book of one uniform space for counter-signatures whether at an open port, a foreign port, or an inland place. Instructions to vessels regarding endorsements are given once only on the first page of the book. The advantage of this

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\* *Antea*, vol. v, p. 25.

† Not printed.



arrangement, of course, is that it not only eliminates much waste space which exists at present, but will be equally suitable for any kind of voyage or for any number of places of call. Provision has also been made on the inside of the book's cover for the entry of the number and date of expiry of the various papers carried by the vessel and also of the names of the places of call on her authorised routes.

4.—When a Chinese vessel applies for clearance, therefore, the date and time and the place for which she clears are to be filled in on the lower section of the counter-signature space. If she is clearing under I.W.S.N. Regulations *via* a number of inland places or will call at a foreign port before arriving at the open port for which she clears, the names of these places or of the foreign port are to be filled in after the word "*Via*." It is to be noted, however, that clearance is not to be granted "*via*" an open port in this manner and that, as laid down in Circular No. 4414 and with the possible exception of river steamers, vessels are to be cleared only for their first open port destination where they must again clear for their next destination. On a vessel's arrival at an open port, the date and time and the name of the port of entry and also of the last place touched at are to be filled in by the Customs in the upper section. This latter place will not necessarily be the last at which a counter-signature has been obtained, and the object of the entry is therefore to serve as an extra check against any deviation from the vessel's proper route.

5.—The same particulars are to be filled in by the Customs, local officials or chamber of commerce at inland places at which the vessel calls, and by the Chinese Consul or local port authorities when a vessel touches at a foreign port. It will be seen, therefore, that the local Chinese or foreign authorities, as the case may be, are to be requested to fill in entries twice on each occasion of a Chinese vessel's call at their port—on her entry and on her departure. While this may appear superfluous in certain cases, it is of great importance for vessels trading along the coast, as unless the dates of both arrival and departure are recorded, the master of a vessel may account for an interval of 10 days between entry at place "A" and entry at place "B" as having been spent carrying out repairs at the former, while, in fact, he has been to a foreign port and back.

6.—When a vessel is stopped and questioned by a preventive ship, the latter is to endorse the Voyage Book in the next available space and to fill in the approximate position, the date and time and the place for which the vessel is bound.

7.—Contrary to what was expected when the Voyage Book system was first instituted, greater difficulty has on the whole been experienced in obtaining counter-signatures by officials at inland places than at foreign ports. Some ports have overcome this difficulty fairly well, but at others, notably in Hupeh and the South of China, the rule requiring endorsement at inland places in the neighbouring districts has become a dead letter, and certain Commissioners have even suggested that instructions in this connexion should be omitted from Voyage Books used by local I.W.S.N. vessels. It is realised, of course, that nothing can be done in these places without the support of the provincial authorities. It must be remembered, however, that conditions are constantly changing and that the time may come when a greater measure of support will be granted. I am accordingly loath to abandon altogether the principle of requiring endorsements at inland places, especially in districts where smuggling to or from foreign countries is a comparatively easy matter and revenue interests are therefore seriously involved.

8.—With regard to districts where endorsement at inland places can be obtained without much difficulty, doubt appears to exist at certain ports as to how strictly the requirement is to be enforced, and a few general remarks in this connexion may therefore be found useful. Endorsement at places of call is, of course, very important for vessels plying on the coast, while for vessels plying only in the interior it is less so. For the latter class of vessel, therefore, stress should be mainly laid on endorsement being obtained at the final place touched at on the vessel's voyage, counter-signature at the larger intermediate places being secured whenever possible. With regard to I.W.S.N. vessels plying on the coast, experience should soon teach ports at which places reliable endorsements can be obtained without much difficulty or inconvenience, and pressure should be brought to bear on vessels which fail to secure them. At the same time Commissioners should guard against being too meticulous in this respect and should pay due consideration to vessels' difficulties: for instance, it would be pointless to insist on vessels obtaining endorsements at places at which they only touch for an hour or two during the night. The main thing, of course, is to avoid having long intervals during which a vessel's movements are left unaccounted for, thus giving her the opportunity for proceeding abroad, and if this end is kept in view, Commissioners should have no difficulty in deciding whether Customs requirements are being adequately met or not. In order to check the authenticity of seals used for the endorsement of Voyage Books at inland places,

Commissioners would do well to obtain, with the help of the Superintendent, specimens of the seal of the authorities recognised by the Customs for this purpose at each place.

9.—Endorsement of Voyage Books at foreign ports has on the whole been satisfactory. Certain Commissioners report, however, that vessels have been unable to obtain endorsement at Hongkong and Macao. To overcome this difficulty, the Kowloon and Lappa Commissioners are being instructed to take the matter up with the local authorities and endeavour to arrange for them to endorse the Voyage Book in the space provided, as is being done at other foreign ports, instead of, or in addition to, issuing a separate permit. In the meantime, ports should insist on the Clearance Permit, or whatever document is issued at present at the above foreign places, being pasted into the Voyage Book.

10.—The Hankow Commissioner has drawn attention to the fact that it is not always easy to ascertain the authenticity of endorsements made by Clearance Offices at ports where vessels have been cleared in advance, and advocates the standardisation of seals used by Clearance Offices for this purpose. As the suggested measure should prove a considerable improvement on the present procedure, I have to request ports, on receipt of this Circular, to report by memorandum to the Chief Secretary the nature of the seals used by their Clearance Office at present and to submit recommendations for the number, type, and size which they would require if new seals are issued. Copy of their memorandum should be sent to the Statistical Secretary.

11.—Some misunderstanding appears to exist with regard to Way Books, the introduction of which for I.W.S.N. vessels was notified in Circular No. 3709.\* Chief Secretary's Printed Note No. 80 informed ports that the Voyage Books introduced for Chinese vessels superseded the Way Books, and this apparently has given the impression at certain ports that Way Books have been abolished altogether, whereas, of course, in point of fact, they are, or should be, still in use for foreign vessels. Now that we are trying to establish a firmer check over the movements of Chinese vessels, it is obviously all the more important that the Way Book system should be strictly enforced for foreign I.W.S.N. vessels, and I have therefore to instruct Commissioners to see that all such vessels at their ports carry Way Books (the new form number for which is [C.—124]) and have them regularly endorsed in the same way as the Voyage Books of Chinese vessels.

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\* *Antea*, vol. iv, p. 107.

12.—Finally, I have to state that I shall be glad to receive any suggestions for the improvement of the Voyage Book procedure or of the form itself which ports may care to make after the new Voyage Book has been in use for a period of three or more months.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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ENCLOSURE.

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財政部關務署指令政字第一〇九七六號中華民國二十二年十月三日

令總稅務司梅樂和

呈一件爲華輪結關呈請書及行程簿辦法試行有效茲將簿

式修改擬奉准後作爲定章呈請鑒核由

呈悉，所送修改行程簿式樣，應准照辦。此令。簿式存。

## CIRCULAR No. 4736 (SECOND SERIES).

Inspectorate General of Customs: post of Chief Secretary (Additional)  
at Nanking: abolition of, notifying.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 19th October 1933.

SIR,

With reference to Circular No. 3822:\*

Notifying the removal of the Inspectorate General from  
Peiping and the institution of the Shanghai Office of  
the Inspectorate General of Customs:

and to Circular No. 3856:†

Notifying that on the 1st February 1929 the Head Office  
of the Inspectorate in Nanking was opened by  
Mr. W. O. Law,‡ who was appointed Chief Secretary,  
Additional (Commissioner), in charge of the establish-  
ment; and stating that the Head Office for the time  
being would function to a large extent as *liaison* office  
between the Inspectorate in Shanghai and the  
Nationalist Government until such time as it would be  
possible to combine both offices in the capital:

I have to inform you that the post of Chief Secretary (Additional)  
in Nanking was abolished on the 6th October 1933 and that the  
work of that office is now being attended to by the Assistant  
Secretary (Additional) at Nanking, under the direction of the Chief  
Secretary of the Shanghai Office of the Inspectorate General. A  
copy of Kuan-wu Shu despatch No. 10722 in this connexion is  
appended hereto for your information.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Antea*, vol. iv, p. 139.

† *Antea*, vol. iv, p. 162.

‡ *Antea*, vol. iv, p. 162 (footnote).

ENCLOSURE.

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財政部關稅署指令政字第一〇七二二號 中華民國二十二年九月六日

令總稅務司梅樂和

呈一件南京總稅務司公署事務簡單擬請准將該署額外總稅科稅務司一缺裁撤以節經費由  
呈悉。所請裁撤該署額外總稅科稅務司一節，應予照准備案。此令。

## CIRCULAR No. 4742 (SECOND SERIES).

**Preventive work: distribution of main preventive fleet; division of coast into preventive main and subsidiary areas; co-ordination of movement of vessels; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 11th November 1933.

SIR,

1.—The difficulties under which the Customs have been labouring, since the introduction of high duty rates, in their endeavours to prevent the illicit entry of goods along a coast-line exceeding 5,000 miles are too well known to call for elaboration; with a preventive fleet consisting of but four sea-going vessels and five other vessels suitable for sea work in protected areas only, reinforced occasionally, as opportunity has offered, by the four units of the Lights-tending Service, an effective sea patrol of the whole coast has been beyond the realms of practicability; the most that has been found possible under the circumstances has been to make use of such ships as have been available to concentrate on patrol work in the vicinity of the foreign territories exploited as smuggling bases, and thus endeavour to cut off the greater part of the illegal trade at its source; and that this policy has not been altogether unavailing is evident from the fines and confiscation figures for recent quarters, which have called forth the commendation of the Government, as notified in previous Circulars. The insufficiency of ships, however, has resulted in preventive work at sea being localised and has rendered futile any attempt to deal comprehensively with the problem of smuggling by sea into China as a whole.

2.—The urgent need of increasing the strength of the preventive fleet was duly recognised by the Government towards the end of 1932, and an extensive construction programme was then authorised. Under this programme 13 new vessels were laid down, to which must be added three vessels already ordered, making in all an accession of 16 units to the preventive fleet. The completion of this programme during the course of the next few months and the transfer to the Preventive Service in the near future of the C.L.T. *Chuentiao*, at present allotted for lights-tending duties, will see an effective sea preventive force of 26 vessels, and with this number it should be possible to maintain a continuous patrol of the

more vital sectors of the coast. A complete list of the main preventive fleet as it will be constituted will be found in Enclosure No. 1. to this Circular, and it will be noted that this list does not include preventive launches, captured craft converted for preventive use, chartered tugs, auxiliary vessels, and craft engaged in local preventive work.\*

3.—The increase in the fleet enables the serious problem of smuggling by sea to be viewed from a new angle, in that the question need no longer be dealt with piecemeal and the disposition of the various vessels may be arranged in accordance with their value as component parts of a fleet rather than as scattered units serving the individual, and sometimes temporary, requirements of particular and widely separated localities. In order that the maximum results may be obtained from the vessels at our disposal, however, it is necessary that a comprehensive plan of operations, providing for concerted, as opposed to individual, action, should be adopted, and with this end in view the Preventive Secretary has drawn up with my approval a memorandum—*vide* Enclosure No. 2.—defining the preventive areas into which the coast is to be divided and stressing the necessity of co-ordination of movement of the various vessels to ensure that, as far as is possible, all vulnerable parts of the coast will be protected. It is realised, of course, that experience may demonstrate weaknesses in this scheme and that modifications may be called for later, but it supplies a basis on which to formulate plans and develop our preventive work at sea, and I am confident that Commissioners will make every effort to carry out its provisions in a spirit of active co-operation, and thus ensure the success of this very important branch of Customs work, on which the eyes of the Government are now focussed with particular attention. It is to be noted that the areas as now defined are solely for the purpose of preventive work at sea and that for all other purposes the Customs districts as at present constituted are to remain unchanged.

4.—As it will be necessary to maintain a continuous check on the movements of the fleet as a whole and on the results obtained in different localities in order to ensure that the ships available are disposed to the greatest advantage, Commissioners at the main and subsidiary areas are to attach to their Monthly Reports on Smuggling brief statements indicating the localities patrolled by each vessel of the fleet operating under their orders.

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\* For further details regarding building up of this preventive fleet and of the services it has rendered in the protection of the revenue, *vide postea*, vol. vii, "Review of Customs Preventive Work" and "Extracts from Reports on the Trade of China showing the Development of the Chinese Customs Preventive Service."



5.—Sketch maps of China showing the division of the coast into preventive main and subsidiary areas, and including all places on the coast at which Custom Houses, stations, or barriers are established, are being distributed to ports, and in order that those on board preventive vessels may have available the information required by them in a more handy and convenient size, sectional copies of the map covering each of the main areas only are being printed, and requisitions for the number required are to be forwarded to the Coast Inspector.

6.—A copy of this Circular is to be issued to each of the vessels of the main preventive fleet.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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CIRCULAR No. 4746 (SECOND SERIES).

**His Excellency Dr. T. V. Soong: presentation to, by Customs Staff  
of silver cup, announcing.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 21st November 1933.

SIR,

In view of His Excellency Dr. T. V. Soong's close connexion with the Customs Service, I considered that it was fitting to mark in some suitable and special manner his relinquishment of the post of Minister of Finance, and I accordingly arranged to present to him on behalf of the Staff a silver cup bearing the following legend: "Presented to His Excellency Dr. T. V. Soong by the Inspectorate Secretaries on behalf of themselves and their colleagues in the Ports in grateful recognition of his far-sighted and enlightened administration of the Maritime Customs Service, and as a souvenir of their admiration and regard."

I attach hereto a report of the ceremony, and it will be observed that the Minister in the course of his speech referred to the position of the Service during the few years that immediately preceded my assumption of charge—his analysis of the situation then existing and his vindication of the present policy are thus placed on record; and the comments of the “North-China Daily News” thereon are appended for reference.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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ENCLOSURE No. 1.

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PRESENTATION OF SILVER CUP TO HIS EXCELLENCY  
DR. T. V. SOONG ON THE OCCASION OF HIS  
RELINQUISHING THE POST OF MINISTER OF  
FINANCE.

ACCOUNT OF CEREMONY, 8TH NOVEMBER 1933.

In the presence of a representative gathering of officials, bankers, merchants, and the Secretaries of the Inspectorate, the Inspector General opened the proceedings by the following remarks:—

“Your Excellencies, Gentlemen: On the occasion of Dr. Soong’s relinquishment of the post of Minister of Finance, it is the desire of the Customs Staff, Chinese and foreign, to present to him a souvenir of their admiration and regard. Dr. Soong during the past half-dozen years has presided over the financial affairs of China with great distinction to himself and much benefit to the country—the overwhelming odds and unusual difficulties which confronted him are well known, and the successful manner in which he mastered the situation has placed him in the front rank of the Finance Ministers of the world and has assured for him a lasting position on the page of history such as very few attain. The control of the Maritime Customs Administration was one of his many responsibilities, and it is in relation to this that we are met here to-day. The connexion

between the Customs and the credit of China at home and abroad is generally recognised, and Dr. Soong has throughout realised the importance of safeguarding the existing system and maintaining the ancient traditions of the Service on which its efficiency rests. It is now generally conceded that this far-seeing and enlightened policy has strengthened China's credit and preserved for the Service the respect and confidence of the Chinese and foreign trading communities.

"And it is well to remember that during the past five years civil wars and the disturbed state of the country frequently interrupted the normal functions of the Customs and threatened the integrity of the Service in certain districts. During this period, moreover, many important developments in the Administration have occurred—tariff autonomy, for example, has been introduced, and the revenue has risen from \$128,274,057 in 1928 to \$348,489,391; the Chinese staff have been placed on a higher plane and are now eligible for the senior posts; and the Chinese character of the Service—which seems for a time to have been shaken—has been restored. But these changes have brought with them additional responsibilities—the higher duties have naturally resulted in an enormous increase of smuggling, and to cope with this a Preventive Department is in course of development and about a dozen revenue cutters are under construction: considerable progress has already been made, but with Dairen in the North, Formosa in the East, and Hongkong, Macao, and Kwangchowwan in the South, our task is a formidable one. And here, again, we are indebted to Dr. Soong for his encouragement and support.

"In view, therefore, of Dr. Soong's conspicuous services to the State, it is a matter of serious concern for the Chinese people that he feels himself constrained to retire from the notable position which he has held for so long a period and in which he has achieved eminence; but we are glad to reflect that he has been induced to remain a member of the National Economic Council and that the Government will thus retain his valuable counsel and assistance.

"While we deplore Dr. Soong's departure at this critical time, we are glad to welcome Dr. Kung as his successor, who, we feel confident, will also uphold the best interests of the Customs and render valuable service to the Government and to the public in his new capacity of Minister of Finance.

"Dr. Soong, I have now much pleasure in asking you, on behalf of the Service, to accept this souvenir of our regard."

Mr. Li Ming, Chairman of the Bankers Association (銀行公會會長李銘君演說), said: "Sir Frederick, Dr. Soong, and Gentlemen:

"Sir Frederick has just expressed the feelings of the Customs Staff on the occasion of Dr. Soong's relinquishment of the post of Minister of Finance and their admiration and regard for the distinguished achievements of Dr. Soong in his long service to the National Government. I wish to assure you that, if I am permitted to speak for my fellow bankers, we associate ourselves closely with the remarks of Sir Frederick and wish to express our deep regret that Dr. Soong has resigned.

"Sir Frederick has told us the successful manner in which Dr. Soong has overcome the unusual difficulties in upholding the integrity and traditions of the Customs Service and the conspicuous progress it has made under Dr. Soong's guidance. Now I wish only to relate on this occasion three outstanding achievements that Dr. Soong has made in his untiring efforts as Finance Minister of the National Government in one of the most difficult periods of Chinese history.

"The first thing that I wish to mention and that is of paramount importance to China is the abolition of likin followed by the inauguration of the system of consolidated tax. It needs no saying that the likin was a great obstacle to the development of internal trade of China and indirectly hampered our export trade. Every enlightened man knew that it was a bad tax. Partly because of ignorance and partly because of fear of offending powerful militarists, it was allowed to exist until Dr. Soong did away with it, and in its place installed the consolidated tax which is both equitable and scientific in nature.

"For decades China has been confronted with the problem of a double medium of exchange which had caused great inconvenience to both financial and business practices in this country. With the abolition of taels, a unified monetary system which is very essential to the development of banking and exchange is now feasible, besides giving immediate facilities to all people concerned. And it was only through Dr. Soong's foresight and conviction that effective measures were made possible and finally carried out.

"Sir Frederick has already mentioned what tariff autonomy has done to the treasury of the Government; the revenue has risen from 128 million dollars in 1928 to about 350 million dollars, which is the average for the years 1931 and 1932. Everybody present here this afternoon may well recall the negotiations with the different

nations on this subject and be thankful to Dr. Soong for his laborious efforts in bringing about the successful conclusion of the first stage of tariff autonomy. In this connexion we must not forget or lose sight of the great assistance which Sir Frederick rendered through his able administration of the Customs Service in strengthening the credit of the National Government and keeping up the public confidence towards all Governmental indebtedness. It is, indeed, the desire of every banker and business man in China to see that this efficient service continues unimpaired, for we know that this revenue has proved more and more valuable to national credit under the capable management of Sir Frederick.

"In conclusion, I wish to add another item which probably has occurred in your mind again and again during this discussion, namely, the enhancement of China's credit both at home and abroad. This is undoubtedly due to Dr. Soong's wise policy and efficient administration. Indeed, our regret at Dr. Soong's departure is great, but would have been greater if not for the fact that in his place we find an equally capable successor in Dr. Kung, who, I am confident, will steer the financial ship during these stormy days in its right course and for the best interest of the nation."

Mr. Yu Ya-ching, Director of the San Peh Steam Navigation Company (三北輪船公司總理虞洽卿君演說), in the course of his address said: "It is indeed a great honour for me to attend this interesting ceremony. I recollect the days when the Nationalist Army first reached Shanghai, early in 1927, when Sir Frederick Maze was introduced to General Chiang Kai-shek (蔣介石) and when he rendered certain useful assistance to the new Nationalist Government in Nanking. It is right, therefore, for me to say that he should be ranked among those whose services to the Government have proved invaluable.

"Minister Soong has been in charge of the finances for the past six years, and the importance of his work to the country and to the Party is too well known to need recapitulation. It suffices for me to mention that the maintenance of the credit of National Loans, the enforcement of Customs autonomy, the abolition of likin and of the "tael" are numbered among his most outstanding achievements and have won for him the respect both of Chinese and foreigners—but here again I must also refer to the co-operation and assistance rendered by Sir Frederick.

"Fortunately, Dr. Soong has promised to retain his position as a member of the National Economic Commission, the organ recently established to deal with economic questions. The prosperity or

otherwise of a country hinges on the condition of her national economy. As is well known the National Economic Commission propose to introduce important measures for the relief of farmers and for the control of industries, etc., and we all trust that Sir Frederick will remain in China in order to assist in promoting the realisation of these vital projects."

Mr. Wang Hsiao-lai, Chairman of the Chinese General Chamber of Commerce (商會會長王曉籟君演說), said that he wished to associate himself with the general expression of regret in connexion with Dr. Soong's departure from the Ministry of Finance.

His Excellency Dr. T. V. Soong replied as follows: "Sir Frederick Maze, members of the Customs Staff, Gentlemen:

"I am sincerely touched by this token of regard for me from the Customs Staff and by the kind things which Sir Frederick Maze has said about me. I take special pride in looking back upon the achievements of the Customs Service during my administration of the Ministry of Finance. The revenue has trebled since the attainment of tariff autonomy, and the Service has during these troublous years maintained the high standard of integrity which it has always enjoyed.

"Upon leaving the Ministry of Finance, it will, I think, be pertinent for me to mention certain facts which have not been well understood by the general public. At the time that the National Government was removed to Nanking, many grievances were harboured against the Customs Service by the Government and people. It was said that the Customs had become an *imperium in imperio*; that it was an adjunct of Legation Street; that the word of the Inspector General had become law in national finances; that the Inspector General had played the *rôle* of king-maker to every Finance Minister at Peking; that Customs funds were deposited almost *in toto* with foreign banking institutions and had served merely to build up their strength and credit to the neglect of Chinese banks; and that the higher ranks of the Service were exclusively occupied by foreigners and were not open to Chinese.\*

"In consequence of these grievances, there was a deep-seated desire both within and without the Government to completely reorganise the Service. It was my belief, however, that the political character, which the Service was allowed to drift into, was not

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\*A proposal that qualified Chinese should be eligible for any post in the Revenue Department up to the rank of Commissioner was submitted to the Kuan-wu Shu (Customs Board) by Mr. (afterwards Sir Frederick) Maze in 1928. (*Vide*, S.O. Cir. No. 106, Enclosure No. 2, vol. v, p. 359).

indigenous to it, that there was so much that was sound and wholesome in the Service that the abuses or anachronisms could be removed without injuring the organism itself.

"I am glad to say that my opinion has proved well-founded. To-day the Inspector General is a loyal servant of the Government. The obligations upon China's finances rest no longer with the Inspector General, but with the Minister of Finance. Customs collections are made into a powerful instrument to strengthen the credit of Chinese banking institutions. Finally, arrangements are made so that promotions are made on merits irrespective of nationality. No new recruiting of foreigners is made except quite rarely for work of a technical nature, but, on the other hand, existing foreign members of the Customs are treated fairly and honourably and are not discriminated against. It is gratifying to record that the whole Customs Staff from Sir Frederick Maze downward have responded loyally to these reforms, accepting in letter and in spirit the changes that I have introduced. They have no doubt found that greater confidence and goodwill have come to them with the limitation of the Customs objectives into becoming a purely national non-partisan institution.

"For myself personally, the civil service basis of the Customs has appealed to me greatly. It had, in fact, been my dream to develop and extend the civil service character in all departments of the Ministry of Finance.

"I have consistently emphasised the principle that, in the Finance Ministry, loyalty should not be to a person or group, but to the Government, and I have steadfastly rejected any idea of creating a personal following within the Ministry, so that the resignation of a Minister of Finance should have no effect on the running of the Department. I have encouraged my subordinates, except my personal secretarial staff, to remain at their posts after my retirement and to carry on their duties as usual unless the incoming Minister has other men to replace them. Loyalty to the Government and loyalty to the country must stand first and foremost in the mind of any public servant.

"No man should attempt to make himself indispensable. I would have failed most lamentably in my duty to my country if my resignation had been followed by a disturbance in its finances. If I have contributed anything to national finances, I think it is this constant fostering of the principle of civil service tradition and impersonal loyalty to the Government, so finely exemplified in the Customs, which alone makes progress from year to year and from administration to administration feasible.

"In taking my leave of you, not only do I thank you and all ranks for this token of your regard for me, but also for the loyal co-operation which you have given me and which I am sure will be extended to my successor, the new Minister of Finance."

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ENCLOSURE No. 2.

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*Copy of Leading Article which appeared in the "North-China Daily News" (10th November 1933).*

Two important points emerged from Mr. T. V. Soong's speech in Shanghai on Wednesday. First of all he gave clear expression to the conviction that the greatest need for China was the inculcation of the spirit of impersonal loyalty to the Government and, through the Government, to the country at large. He indicated that his retirement had prompted him to insist on the continuity of the service of the officials of his department, with the proper exception of his own personal secretaries. He resisted the doctrine of indispensability. That was no gesture of modesty, but the outcome of an alert experience. If the Government's desire to establish a permanent civil service is to find fulfilment, attention to this aspect of administration is essential. In military affairs where, perhaps, lies the gravamen of China's present financial and political difficulties, the fundamental weakness has been and still is the note of personal allegiance from the soldier to the general in command. It transcends the ordinary requirements of military discipline and becomes a positive menace to the State. Whatever may have been his faults, Marshal Chang Hsüeh-liang took practical steps to flout this pernicious doctrine when, on his resignation, he urged his troops, greatly against the inclination of some of their officers, to regard themselves as under the orders of the Government and, therefore, to take their leave of him. Similarly in civil departments it is still the unfortunate lot of officials to find that a change of head means a complete reshuffling of the *personnel*. From this evil alone springs the difficulty of curbing corruption and excessive patronage. It also is at the root of the ingrained disunity which has cost China so many pangs of late. Complementary to this line of thought was Mr. Soong's revelation of the circumstances surrounding the Customs controversy when he first assumed the Finance Ministership. His remarks threw on that controversy a light hitherto withheld. The upheaval of the Revolution had tended to bring into prominence what, in view of the traditions explicitly laid down by Sir Robert



Hart, must now be regarded as excrescent heresies. They promoted a notion that the Customs Service in some sort of way was independent of the country which it served. On that basis the then Inspector General—with an imperfect appreciation of the significance of events—believed that he was the instrument of the foreign Powers in maintaining foreign rights in China. It is true that he associated with that theory a belief that it ministered to the best interests of China, but it is obvious that, on such a point, he could hardly be regarded as an authoritative tribunal. Mr. Soong had to combat the view that the Customs Administration was an *imperium in imperio*—the phrase was actually used by one of the chief exponents of the heresy—and in fact “an adjunct of Legation Street.” He had grasped the underlying principles of Sir Robert Hart’s regime and perceived that somehow the course of events had introduced a Customs policy in contravention of those principles. Therefore, while adhering strongly to the Government’s contention that the Customs Service was essentially a Chinese service, he felt that there was really no need for drastic action. It was necessary only to insist on reversion to the accepted but neglected principles originally observed. Under Sir Frederick Maze, as Mr. Soong showed, the Customs Service has developed on lines appropriate to the changed condition and in conformity with Sir Robert Hart’s basic policy. By establishing equality of opportunity for all nationalities within the Service, by recognising the directing and controlling authority of the Chinese Government, the Inspector General has enormously strengthened the Service as the pivot of China’s administrative machinery and enhanced its prestige. This has been shown by the vigour of its resistance to recent turmoil and now by the expressive confidence displayed towards it by its late Ministerial chief. Not only is this appreciated by the Chinese Government, but it is recognised also by Chinese commercial opinion, as the speeches of Mr. Li Ming and Mr. Yu Ya-ching on Wednesday indicated. It may be added that foreign interests dependent on the integrity of the Customs Service are alive to the value of this achievement, on which Mr. Soong himself and Sir Frederick Maze are to be warmly congratulated. It is difficult to imagine the Customs Service successfully surviving the political vicissitudes of the last five years with its efficiency unimpaired, had not sage foresight withdrawn it effectively from politics and restricted its operations and decisions to their legitimate orbit. The reversion has not demanded less statesmanship or less adroitness in dealing with administration. Indeed, when the history of the Department is brought up to the present decade, its recent achievements may be found to be not the least admirable in an admirable record.

## ENCLOSURE No. 3.

## 通令

財政部長宋子文博士現已辭職我海關同人追維

博士治理關政之勳績及其與海關關係之密切於其去也實有不勝其拳拳不得不有相當之表示而誌我海關同人之誠感者爰以海關全體華洋人員名義公贈

博士銀鼎一座并綴數言藉誌景仰而表去思於本月八日在滬舉行贈鼎儀式並邀請各界人士觀禮濟濟踴躍甚盛事也首由本總稅務司致詞次來賓演說次

宋博士答詞恭讀

宋博士答詞對於本總稅務司受任以前數年之海關地位及其所以堅持現時之政策言之綦詳並以不墜往昔之令譽保持固有之完整相慰勉詞意懇摯語重心長此則本總稅務司及我全體華洋人員所當拳拳服膺益加感奮者也茲特紀錄其事以備不忘事後滬上字林西報對於

宋博士之答詞著有社論一則亦足以資觀感合行抄錄前項紀事及字林西報社論通令各關稅務司及所屬華洋人員一體知悉此令

## 計抄鼎文及舉行贈鼎儀式紀事一則

鼎文 勛業卓著

子文部長綜持平準於權政尤著宏規凡我同人欽遲胥切茲屆辭職無術攀留敬製銀鼎藉作紀念海關總稅務司署全體華洋人員暨全國海關全體華洋人員謹贈

中華民國二十二年十月

日

列席人員

宋博士 沈署長 政界銀行界商界各代表 總稅務司及總稅務司署各科稅務司

總稅務司致詞

宋博士

諸位來賓

宋博士任財政部長六年於茲，今者急流勇退，毅然辭職，我海關全體人員，久託  
衿幃之下，一旦失所瞻依，固不能怛然於懷，然以

博士對於國家之建樹言之，實不勝其欽佩，以

博士對於海關之措施言之，又不勝其感激，回憶

博士在任期間，正當世界經濟恐慌，國內財源枯竭之時，加以內憂外患，紛至沓來，其環境之困難，  
可想而知，賴

博士力任艱鉅，一方整飭國計，一方注重民生，凡所設施，與世界財政名家，堪相伯仲，宜乎使節所  
至，譽滿歐美，他日史官紀錄，且將名垂不朽矣，夫海關為財政部直轄機關，而

博士對於海關所持之政策，則尤為我海關全體人員所敬謹紀念而不敢或忘者，茲就其犖犖大者，臚陳  
如下，海關稅收，關係償賠各款之信用，而信用是否鞏固，以海關現行組織有無變遷為標準，

博士洞鑒及此，本因仍舊貫之主旨，以督促關政之進行，故國家對內對外之信用，日益鞏固，而華洋  
商人對於海關之信仰，亦益深切，若非

博士眼光遠大，何克致此，此其一，中國數年以來，內戰頻仍，地方不靖，海關行政往往受其影響，甚至破壞關政之統一，賴

博士相機因應，故能力支危局，克奏膚功，卽如實行關稅自主，改定海關稅則，實爲中國海關開一新紀元，以稅收方面言之，民國十七年稅收，僅有國幣一萬二千八百二十七萬元有奇，現乃增至國幣三萬四千八百四十八萬餘元，在此國家多事之秋，不但能收回關稅之主權，且能增加國庫之收入，功烈之偉，洵無倫比，此其二，海關華員待遇，向來遜於洋員，此種情形，不但有失公允，且在辦事效率上，亦不無影響，

博士乃於十八年間，督飭張前署長，及樂和，改良華員待遇，提高華員地位，由是華員擔任重要職務者，逐漸增多，而華洋人員，因有和衷共濟之誼，遂收通力合作之功，於關政大有裨益，此其三，以前中國政府，對於海關行政，稍形隔膜，自

博士蒞任，痛加改革，故自後海關一切行政，無不秉承部署命令辦理，與中國其他機關無異，而中國在海關上之主權，因以完全恢復，此其四，自關稅增高以來，走私日見猖獗，緝私事務，遂爲海關第一要政，惟中國沿海，北有大連，東有台灣，南有香港，澳門，廣州灣，均爲私貨之策源地，海關辦理緝私事務，極感困難，賴

博士洞悉此項情形，對於緝私一切設施及一切經費，樂和每有陳請，無不立予核准，於是內則擴充緝私各部組織，外則添置海上各種巡輪，故現在緝私設備，漸臻完密，收效亦復甚巨，此皆

博士督飭有方之所致也，此其五，綜觀

博士已往政績，洵可謂功在國家，澤被生民，今乃功成引退，實爲朝野上下所同深惋惜者，幸聞

博士對於全國經濟委員會常務委員一席，允爲繼續擔任，將見本其財政上之經驗學識，施之於統制經濟，其造福於國民者，正未可量，欣慰之狀，莫可言喻，又幸

孔博士繼任部長，我海關全體人員，無任歡迎，行見本匡時之偉畧，抒裕國之宏謨，黨國前途，實利賴之，至對於海關方面，倘蒙

體察實際情形，維持現行組織，以重國信，而裨關政，是則幸矣，茲代表海關全體人員，謹贈

宋博士銀鼎一座，以作紀念，而誌敬仰，恭祝

宋博士康健

銀行公會會長李銘君演說

今日總稅務司及海關同人，以宋部長交卸部務，敬贈紀念品，並招鄙人等參與，就此機會，共敘一堂，喜幸之至，在此國家大局，正在緊要關頭，宋部長突然去職，在宋部長個人，多年勞苦，暫時休息，固然得計，在人民則不勝惋惜，鄙人謹代表銀行公會及基金委員會，就感想所及，略說幾句，宋部長幾年以來，主持財政，成績偉大燦爛，昭昭在人耳目，梅總稅務司刻已說過，足可代表一般輿論，惟鄙人之意，宋部長在任成績，尤有三事最爲偉大，於中國財政史上占極重要之地位，不能不說，第

一，裁撤釐金，釐金爲百年來重大之弊政，動議裁撤，幾數十年，總不能辦到，宋部長竟一手辦成，以毅力排除萬難，於財政去百年之弊政，於商民解除無量之痛苦，第二，關稅自主，此事醞釀亦有數年，關係外交，事同懸案，亦虧宋部長費得多少苦心，方能解決關稅自主之第一步，從此國家稅收，得以增加，於工商業尤有重大之關係，第三，廢兩改元，我國財幣，歷來因銀兩銀元同時通用，各方面均感不便，提議廢兩，亦已數十年，始終未成事實，今年經宋部長熟籌之後，毅然廢兩用元，貨幣始有統一之基礎，工商業受惠無窮，以上三者，爲宋部長任內成績最顯著之犖犖大端，此外尚有關係重要之事，則宋部長數年以來，於國信竭力維持，內外債苦心兼顧，爲中外人士所共見，但所以能維持債信者，來源全仗海關稅收，此則又不能不歸功於梅總稅務司，克盡職守，輔導有方，鄙人等以爲宋部長現在雖交卸部政，梅總稅務司仍在總持稅務，極希望海關稅務，此後仍日有進步，保持完善之制度，充裕之稅收，使債信日益穩固，新任孔部長向來與宋部長志同道合，與鄙人等亦相知有素，在此時會，自必能仍以提高國信爲前提，而梅總稅務司，亦必能仍舊輔導，相得益彰也，

### 三北輪船公司總理虞洽卿君演說

今日梅樂和總稅務司，招待宋部長茶會，和德亦在被邀之列，濟濟一堂，賓主盡歡，和德覺得非常榮幸，回憶國民軍，初抵上海之時，北伐需款，整理後方又需款，經和德介紹梅君於蔣總司令，面商籌

款方法，如發行江海關二五庫券等種種計劃，逐漸舉行，梅君努力襄助，始終不懈，於國民政府實爲有功之人，宋部長主持中樞財政，六年於茲，於黨國之勞苦功高，實已人人皆知，而對於國債信用，關稅自主，廢除釐金，廢兩改元，四項，尤爲傳誦人口，中外咸欽，實爲民國以來之財長中，第一榮興者，梅君輔佐之功，亦爲客卿中空前所未有，宋部長現雖辭去財長職務，然其辭職，並非財政困難，辦事棘手之故，且對於全國經濟唯一主裁機關之經濟委員會常委，仍負責擔任，尤覺非常欽佩，國家之衰盛，其樞紐全在經濟，現在經委會，對於救濟農村，統制實業，召集生產會議等各項重要任務，均在次第實現，亦望梅總稅務司，繼續努力，輔佐宋部長協助貢獻，以底於成，此不但爲和德個人所希望，而亦爲全國人民所樂聞也，

商會會長王曉籟君演說

對於宋博士辭卸財政部長一席謹隨同人深表惋惜之忱

宋前部長答詞

今日承海關員司，贈以紀念品，並蒙梅總稅務司諸多獎飾，鄙人實在愧感交集，回憶在鄙人忝長財部期間，海關方面，成就實多，關稅自主而後，稅收增加三倍於前，服務人員均能忠實從公，不墜其往昔之令譽，海關行政方面，亦能保持其固有之完整，此鄙人實殊引爲慶幸者也，今鄙人已離財部，外間對於海關地位，有所誤會之點，鄙人此時略與諸君一談，北伐告成，國民政府奠都南京，當時朝野對於海關方面，指摘殊多，有謂中國海關儼然成一政府中之政府，不啻爲列強駐華使館之附屬物，甚

謂總稅務司之一言，其效力等於財部之成法，北京政府財政總長之命運，實操於總稅務司之手，且海關收入，則盡存於外籍銀行，致其在華勢力日益雄厚，華商銀行，坐令向隅，其海關高級人員之任命，則祇限於外籍關員，當時朝野一致，有澈底改善海關組織之主張，惟其時依鄙人觀察，海關之牽入政治漩渦，與其本身之組織無關，關務內部，組織本極健全，外界指摘之點，予以糾正，可不必搖動其組織，鄙人深幸上項之觀察，有事實證明其爲不謬，今日總稅務司之地位，已爲政府之忠僕，國家款項之籌措，完全係財政部長之職責，不復與總稅務司有關，稅款之存放，今日悉數集中於國家銀行，關員之升調，今日已完全以服務成績爲標準，與國籍無關，外籍新關員，除少數專門技術人員外，已不再招取，而現在所有之外籍關員，其待遇悉仍一秉公平，海關人員，自梅君以下，對於上項改良之點，莫不盡力奉行，諸君應覺近來民衆對海關之信仰及好感，與時俱進，以海關之目的，在成爲無派別的中國機關也，海關之公務人員，服務規則，鄙人極以爲善，且意欲財部各司署，皆行效法，鄙人從政財部對於部員服務，常以矢忠於政府，不祇忠於一人或團體之原則以相勗，否則部長更動，部務立受影響，故鄙人此次引退，對於僚屬，除秘書及隨從人員外，一律勗其繼續照常供職，除非新部長另有人選，不可言辭，蓋公務人員，以效忠政府爲前提也，鄙意吾人服務，萬不可以個人之進退，以影響大局，鄙人此次引退，財政上幸未引起如何紊亂，否則鄙人對於政府不能爲盡職，鄙人忝長財部，甚少建樹，惟常以忠於政府忠於所事一語，以自勗而勗同仁，海關關員對於此節，可爲標榜，故



關務之進步，獨能與時俱進也，鄙人所欲言者止此，謹謝諸君之贈品，及一向合作之精神，此種精神，諸君對於新任部長，定能繼續保持，鄙人有厚望焉，

附譯字林西報十一月十日社論

對於宋前財政部長答復海關總稅務司代表全體同人歡送詞之感想

前財政部長宋子文氏之答詞其要點有二第一爲闡明中國目前所最需要者爲提倡公務人員於爲國服務時應直接効忠政府圖報國家勿參入長官與僚屬間之私人關係於其內故氏此次去職對於部中人員除秘書外皆以勉力蟬聯相勗未許輕於言辭俾免以個人進退影響大局宋氏此種主張並非故爲謙飾之詞乃本其多年之經驗所得而發之於言論倘政府果欲爲公務員謀安全之保障使之得有鞏固之組織當於此三致意焉嘗思現時中國財政及政治方面所受種種困難多由一般軍人發生而軍界唯一弱點即在兵士與其直轄長官間之私人關係過於密切此種情形實軼出軍紀原則於國家前途障礙孔多前者惟張學良氏尙能破除擁兵自衛謬見不以國家軍隊視爲個人軍隊當其解除兵柄時竟不顧部下將士要求毅然去職並以軍隊應服從政府不能効忠個人爲所屬致諄諄之誥誠實屬獨具見地雖其從前處理軍政事宜容有失當之處然卽此一事頗足爲軍人矜式也迺者行政機關方面每遇長官更動其僚屬亦多連帶引退與軍隊祇知効忠長官情形如出一轍有此弱點而欲實行消除官吏貪污及任用私人之惡習自屬戛戛乎其難而如此散沙局面實爲國家積弱不振之一因也第二宋氏所述初任財政部長時海關各種情形以前從未有入道及溯自革命告成中國政治局面迥非舊

觀而其時海關所持政策適與前任總稅務司赫德氏原設種種規畫之原則相反不足因應時宜乃當時任總稅務司者徒知拘泥成見以爲歷來海關所處地位具有特殊性質應負維持各國在華利益專責而於其所得結果與新時代不相符合之點初未顧及其所持理論蓋謂必須如此辦理方於中國有益用意未始不善但其見解顯有未當殊不能爲之諱言所以卒致引起外間指摘至謂海關乃一政府中之政府並有海關爲列強駐華使館之附屬物之譏宋氏蒞任財長會極力秉承政府意旨破除此種觀念以爲不應將海關視爲非國家之普通機關惟一面深知赫德氏種種規畫之真正精神固屬甚善只以事實上變遷關係遂致發生不良變態浸至與其原來之精神相悖故認爲現在僅須將其所生之不良變態從事矯正俾其原有精神得以保存並不主張採用急進手段而梅總稅務司自受任以來亦能和衷共濟遵循赫氏成規參照目前需要努力將海關行政逐漸改良故關務得以蒸蒸日上所有華洋關員待遇固已無分畛域一律平等而處理關務復悉唯政府之命是從因之海關組織日形鞏固海關地位日見臻高允爲中國各行政機關之冠試觀近年以來政局屢發生紛擾獨海關並未受任何影響與夫宋部長所加獎許之詞是其明證至商界方面對海關向極信仰讀虞洽卿李銘二氏演詞亦可略知梗概又外國有關係各方人士刻對中國海關亦均推崇備至有口皆碑此均吾人應爲宋梅兩氏致賀者也總之中國海關處於國內政局瞬息萬變之下唯賴當局高瞻遠矚洞明時勢之需要竭力避免海關捲入政治漩渦而遵守法度以圖邁進故海關組織得以日形鞏固海關事業得以日形發展雖任事者秉承有自其權限較前爲輕然於職掌範圍以內事務固視前益形繁劇全仗有優越之治才靈敏之手腕運用其間始克辦理愉快規過去以卜將來前途眞未可限量也

## CIRCULAR No. 4780 (SECOND SERIES).

**Ships' papers: Voyage Books: endorsement of, by Hongkong  
Harbour Office: arrangements made for; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 24th January 1934.

SIR,

With reference to Circular No. 4414:\*

Notifying the introduction of Voyage Books for Chinese vessels (other than junks); and stating that, although Chinese vessels trading abroad should be induced to obtain endorsement of their Voyage Books by Chinese Consuls or foreign port authorities, the Customs were not yet in a position to make this procedure a formal regulation or to impose penalties for failure to comply therewith, but that it was hoped that negotiations with neighbouring foreign countries would result in arrangements whereby better control of Chinese vessels trading abroad would be assured:

I have to inform you that, as the result of recent correspondence with the Hongkong Government, it has now been arranged that the Hongkong Harbour Office will endorse the Voyage Books of Chinese vessels trading to Hongkong to the extent of recording entry and clearance in them whenever such books are voluntarily presented to them for that purpose. In according this measure of co-operation the Hongkong Government have pointed out that they are not empowered to compel the masters of vessels to produce their Voyage Books for endorsement.

Although the Hongkong authorities are not in a position to compel the presentation of Voyage Books for endorsement, the Chinese Government intend that it shall be mandatory upon the masters of Chinese vessels to do so, and you are accordingly requested to issue a Customs notification informing the public that Voyage Books of Chinese vessels trading to Hongkong must be presented to the Hongkong Harbour Office for endorsement on entry and

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\* *Antea*, vol. v, p. 25.

clearance, and that the master of any Chinese vessel who, after 1st March 1934, fails to secure such endorsement will be liable to a fine not exceeding \$1,000.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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SEMI-OFFICIAL CIRCULAR No. 103.

**Discipline: legitimate orders of superiors must be executed.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 9th February 1934.

SIR,

When I assumed the post of Inspector General of Customs one of the cardinal features of my policy was the introduction of the principle of equality of opportunity for qualified Chinese—that is to say, I took immediate steps to raise the status of the Chinese Staff and place them on a footing of equality with their foreign colleagues. This new arrangement removed legitimate grievances, and has improved the relations of the Chinese and foreign staffs. It has lately come to my notice, however, that in a few isolated cases foreign members of the Service have questioned the authority of their Chinese superiors, and in one or two instances have even neglected to give effect to definite instructions. The object of this Circular is to point out that such an attitude of insubordination will not be condoned, and it must be understood that if any member of the Service refuses or hesitates to execute a legitimate order of his superior officer, whether that officer be Chinese or foreign, he will be treated as having been grossly insubordinate and will be dismissed or otherwise dealt with according to the circumstances of individual cases. A copy of this Circular is to be placed in your Order Book for the information of the members of your staff.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

## 通令

查率屬程功，以待遇持平爲原則，而分曹任職，以服從命令爲常經。本總稅務司自就職以來，以給與合格華員平等機會，爲主要政策之一，質言之，卽係提高華員地位，與洋員平等待遇，此項主張之用意，從消極方面言之，可以化除華員不平之刺激，從積極方面言之，可以增進華洋人員之情感，並可使全體關員，因有上下相維之致，遂收指臂相使之功。自此項政策施行以後，於官守上，關政上，已收相當效果。乃近來間有洋員，對於華籍長官職權，不無懷疑之處，甚至有時對於華籍長官之命令，竟不遵從。似此情形，揆諸本總稅務司主張華洋人員平等待遇之本旨，大相背馳。若不嚴加整飭，將何以肅紀綱而裨關政。嗣後各關員對於長官正式命令，無論其長官爲華員洋員，均須嚴格服從，切實遵辦，倘敢故違，或持游移態度，卽以違抗命令論，按其情節輕重，或予斥革，或予其他相當處分，用昭炯鑒，本總稅務司令出惟行，勿謂言之不預也。除分行外，合行令仰該關稅務司轉飭所屬華洋人員，一體懷遵，並將此項通令，載入該關令簿，俾各關員隨時查閱，深切注意爲要。此令。

## SEMI-OFFICIAL CIRCULAR No. 105.

**Fukien Customs: narrative of events connected with  
the disturbances in Fukien.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 14th March 1934.

SIR,

Accounts of the seizure of the Tientsin Customs by the Shansi party in 1930; the detention of the Additional Revenue by the Canton party in 1931; and the seizure of the Manchurian Custom Houses by the so-called "Manchukuo" Authorities in 1932 were outlined in Semi-Official Circulars Nos. 69, 72, 88 and 95\* respectively, and I now wish to place on record a brief narrative of the events connected with the recent disturbances in Fukien.

In order to endeavour to preserve the integrity of the Customs establishments in Foochow, Amoy and Santuao, it was necessary, of course, to enter into consultation with the *de facto* Government in Foochow, who, in the first instance, threatened to seize all the revenue concerned. I therefore approached the Minister of Finance, Dr. H. H. Kung, on the subject, and suggested to him the desirability of not issuing instructions and leaving me to endeavour informally to arrive, if possible, at some sort of understanding whereby our local authority would be preserved and not upset. On the 25th November, 1933, I was accordingly authorised to send a telegram to the Foochow Commissioner to the effect that while I was not in a position to issue definite orders, owing to my ignorance of local conditions, I wished to impress upon him that any reasonable understanding which he effected locally to preserve the integrity of the Customs would not be disapproved. And, later on, I further advised him that an arrangement on the basis whereby the Fukien Government would receive the entire revenue from the above three ports, less cost of collection, foreign loan commitments and indemnities actually paid to foreign countries, would be satisfactory and calculated to obviate foreign complications and sustain China's credit and good name at home and abroad by enabling her to meet foreign obligations without default. This

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\* *Antea*, vol. iv, pp. 300, 387, for Nos. 69 and 72, and vol. v, pp. 67, 148, for Nos. 88 and 95.

offer was at first declined but subsequently accepted with the result that we finally emerged from this difficult situation with a comparatively small loss to the revenue of a few lacs of dollars.

The Foochow Custom House was seized on the 20th November, 1933, and reverted to the Government's control on the 16th of the following January; the Amoy Custom House was seized on the same date, and we resumed charge on the 10th January; the Santuao Custom House was not interfered with by the insurgents.

If the political situation in Kwangtung and Kwangsi during the period concerned had been normal, I would, if necessary, have advocated further sacrifices of local funds in order to gain permission to remain in charge of the above Customs establishments, but in view of the fact that the political conditions then prevailing were not normal and, on the contrary, had become somewhat uncertain, I was obliged to guard against the establishment of a dangerous precedent.

Seeing that Foochow is the provincial capital it followed that the brunt of the local negotiations, etc., fell upon Mr. E. T. Williams'\* shoulders, and I wish to place on record my appreciation of the manner in which he handled the affair at his end.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* Edward Thrasher Williams was born on the 22nd October 1885 at Cincinnati, Ohio, U.S.A. After graduating B.S. at the Massachusetts Institute of Technology, Boston, he joined the Customs Service on the 1st June 1910, and was appointed as 4th Assistant, C, to Nanking, whence, after a stay of three months, he was transferred to Newchwang, where he remained a year. The following three years were spent at the Inspectorate, Peking, to be followed by two years at Shanghai. On return from long leave Mr. Williams served in turn at Chungking, Tientsin, Swatow, and again at Tientsin. During his third period of service he was stationed successively at Shanghai, Kiukiang, the Inspectorate at Peking on special duty with the Commission for the Compilation of Values, and at the Statistical Department of the Inspectorate at Shanghai. He was promoted Deputy Commissioner on the 1st April 1931 and Commissioner on the 1st April 1936. From April 1932 to April 1937 he was in charge of Foochow, and on return from long leave in April of the year following was appointed to Kongmoon.

## CIRCULAR No. 4813 (SECOND SERIES).

**Shipping: I.W.S.N.: duty treatment of native goods: from open port direct to Yangtze port of call to be free of interport duty.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 27th March 1934.

SIR,

The question has recently been raised as to the correct duty treatment of native cargo shipped by I.W.S.N. vessels from an open port direct to a Yangtze port of call without passing a second open port.

Circular No. 1697,\* which notified the opening of Tungchow (T'ien shêng Chiang) as a Yangtze port of call, instructed, *inter alia*, that inland waters steamers trading there were to be governed by the I.W.S.N. Regulations; and, furthermore, the Enclosures to the Circular laid down that while goods shipped to and from Tungchow by river steamers must pay duties to the Maritime Customs, goods carried by ocean-going and other vessels trading under I.W.S.N. Regulations were to pay Native Customs duty and likin. It therefore follows that, for vessels plying under I.W.S.N. Regulations, Tungchow, or any other port of call on the Yangtze, is an inland place, and that since Native Customs and likin have now been abolished, native goods shipped there by vessels under these regulations without passing a treaty port are not liable to duty.

The position thus created—native goods when shipped to Tungchow by regular river steamers under Yangtze and Port of Call Regulations being dutiable while the same goods when shipped by vessels under I.W.S.N. Regulations are free—is obviously anomalous. In order, therefore, to ascertain whether the Government desired to remove the anomaly by placing I.W.S.N. vessels on the Yangtze on the same footing as regular river steamers when engaged in port of call trade, I submitted the question to the Kuan-wu Shu. In their reply, copy of which is appended, the Shu admit the anomaly but point out that since the abolition of interport duty is merely a question of time, it might stir up opposition from merchants if interport duty were now to be levied on goods which are at present free of duty, and which have hitherto not been

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\* *Antea*, vol. ii, pp. 698-705.



included in the category of goods subject to the levy of interport duty. The Shu therefore direct that no change is to be made for the present in the existing duty treatment accorded to native goods when conveyed to or from open ports and Yangtze ports of call, that is, such goods remain dutiable when carried by regular river steamers under Yangtze and Port of Call Regulations and are duty free when carried by vessels under I.W.S.N. Regulations.

You are requested to act accordingly.

I am, etc.,

L. H. LAWFORD,  
*For Inspector General.*

## ENCLOSURE.

財政部關務署指令則字第一二四五六號 中華民國二十三年三月十九日

令總稅務司梅樂和

呈一件爲內港輪船裝載土貨至上下客貨處所不完海關轉口稅與長江輪船待遇不同應否

變更請核示由

呈悉。內港輪船與長江輪船由通商口岸載運至上下客貨處所之土貨，其起運與到達地點，均屬相同，而一則徵稅，一則無稅，就待遇上言，固欠平允。但此係稅制上之變遷所使然。實則原來所徵之稅，既非同一種類，本未可相提並論。況轉口稅之裁撤，係屬時間問題。如再令現已無稅，而向不在徵收轉口稅範圍以內之貨物，增加轉口稅之負擔，恐將激起商民之反對，而執行上發生困難。所擬變更徵免辦法一節，應從緩議。仰卽遵照。此令。

## CIRCULAR No. 4817 (SECOND SERIES).

Inspector General: Sir Frederick Maze, Inspector General, hands over temporary charge of Customs Service to Mr. L. H. Lawford, Chief Secretary, appointed Officiating Inspector General, *ad interim*.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 31st March 1934.

SIR,

The Government have granted me leave to absent myself from China for a period of five or six months from 1st April 1934.

Mr. L. H. Lawford,\* Chief Secretary, has been appointed to take charge of the Inspectorate General of Customs during my absence as Officiating Inspector General, *ad interim*. Copy of the correspondence concerned in this connexion is appended.

I am handing over charge of the Inspectorate to Mr. Lawford to-day and have to request you to address to him all official and semi-official correspondence during my absence.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* Lancelot Henry Lawford was born on the 8th June 1886 at Rockhampton, Queensland, and joined the Customs Service on the 23rd November 1905 as 4th Assistant, C. He served at Wuhu, Kowloon, Shanghai, Chinkiang, the Inspectorate at Peking, and Hangchow before being promoted Deputy Commissioner on the 1st April 1924 while holding the post of District Accountant at Shanghai. From October 1927 to the end of November 1930 he was again at the Inspectorate, first at Peking and subsequently at Shanghai, in the capacity of Audit Secretary. He was promoted Commissioner on the 1st April 1928. From December 1930 to June 1931 he was Commissioner in charge of Tsingtao, and from the latter month to July 1932 in charge of Shanghai. On return from long leave he was again for a few months in charge of Shanghai before being transferred in March 1933 to the Inspectorate in the capacity of Chief Secretary. During Sir Frederick Maze's absence from the 1st April 1934 to the 7th January 1935 he was Officiating Inspector General, after which he resumed for nine months his former post as Commissioner at Shanghai. From October 1936 to April 1937 he was Commissioner in charge of Hankow, returning once more in the latter month to the Shanghai Commissioner-ship. Mr. Lawford holds the Order of the Chia Ho, 4th and 3rd Classes.

## ENCLOSURE.

總稅務司呈 關務署文第五五七號 中華民國二十三年三月九日

竊職自民國九年以來，迄今已歷十有餘稔，未請長期假。茲因有緊要事務，亟須返國一行，親爲料理。擬自本年四月一日起，請假回英，多則六個月，少則五個月，卽行回華銷假視事。在職請假期內，所有職署一切公務，擬請按照歷來成例，

令派職署總務科稅務司羅福德（英國人）爲暫行代理總稅務司代行一切職務。遞遺總務科稅務司之缺，擬派漢文科稅務司丁貴堂（遼甯人）暫行代理。遞遺漢文科稅務司之缺，擬將現在美國考察緝私事宜之海關行政考察員署副稅務司盧斌（江蘇人）調回，暫行署理。所有擬請給假回英，及請准派員暫行代理各缺緣由，是否有當，理合備文密呈伏乞

鈞署鑒核，轉呈

部長令准遵行。謹呈

財政部關務署長沈。

財政部關務署密指令政字第一二四六六號 中華民國二十三年三月二十日

令總稅務司梅樂和

密呈一件呈爲擬自本年四月一日起請假六個月或五個月回英料理要事所有總稅務司職務請派職署

總務科稅務司暫行代理遞遺之缺並擬派丁貴堂等分別暫行代理或署理是否有當乞鑒核轉呈

核示令遵由

呈悉。該總稅務司所擬自本年四月一日起，請長期假六個月或五個月，回英料理要事，并擬派該署總務科稅務司羅福德在該總稅務司請假期內，暫行代理總稅務司職務各節，業經呈奉

部長核准，并奉頒派羅福德在該總稅務司請假期內暫行代理總稅務司職務之部委任令一件到署，合行檢發，仰即查收轉飭遵照。至遞遺該署總務科稅務司之缺，擬派該署漢文科稅務司丁貴堂暫行代理，遞遺漢文科稅務司之缺，擬調盧斌回國暫行署理。并准備案。此令。

計發部委任令一件

## CIRCULAR No. 4830 (SECOND SERIES).

**Inspector General: Government's appreciation of Sir Frederick Maze's  
able administration of the Customs Service, etc.: copies of  
correspondence circulated for information of Staff;  
O.I.G.'s remarks.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *19th April 1934.*

SIR,

With reference to Circular No. 4817:\*

Notifying you that the Government had granted  
Sir Frederick Maze, Inspector General, leave of  
absence for a period of five to six months from  
1st April 1934:

I take great pleasure in circulating, appended hereto, for the information of yourself and your staff, copy of Kuan-wu Shu despatch No. 12711 received after Sir Frederick's departure, from which you will see that the Minister of Finance has seen fit, in granting the above leave, to express in most laudatory terms his deep appreciation of Sir Frederick's services, extolling his long and distinguished career previous to his appointment as Inspector General and warmly commending him upon the loyal and conscientious manner in which he has since upheld the dignity of the Service and assisted the Government in the face of great difficulties. The Minister further expresses the hope that Sir Frederick, whose sense of responsibility restrained him from going on leave for 12 years, will return to China, as soon as his leave expires, to continue his valuable service.

Simultaneously with the receipt of the above despatch a letter has been received from General Chiang Kai-shek, to whom the Inspector General had written for the purpose of saying good-bye, in which the Generalissimo expresses his appreciation of the policy adopted by Sir Frederick and of the valuable services rendered by him to the Government. Copy of this correspondence is also appended.

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\* *Antea*, vol. v, p. 352.

I am confident that the Staff will feel gratified at these graceful expressions of approval of the services rendered by Sir Frederick, reflecting, as they of course do, the Government's absolute confidence in the Service under his leadership.

A copy of this Circular is to be placed in your Order Book.

I am, etc.,

L. H. LAWFORD,  
*Officiating Inspector General, ad interim.*

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## ENCLOSURE.

財政部關務署訓令政字第一二七一號 中華民國二十三年四月十日

令總稅務司梅樂和

奉

部長諭，總稅務司梅樂和，服務政府，辦理稅務，歷四十年，奉公勤恪，計慮周詳，當我革命北伐之初，該總稅務司獨能洞矚情勢，翊贊大業。

國民政府垂念舊勛，畀以斯任，奉職以來，尤能綜持——大體，不避勞怨，以我國家倚畀之殷，念所負職責之重，歷十二年，未嘗乞假，尤徵任事之勤，執役之忠，茲覽來牘，亟欲假歸，本部長念其往績，遂其鄉思，准予給假六個月，所有該總稅務司職務，著由該署總務科稅務司羅福德暫代，假滿仍盼早日來華視事，懋繼前勛，有厚望焉。等因。合行令仰該總稅務司知照。此令。

上蔣委員長函

委員長鈞鑒敬肅者憶自民國十六年間獲晤

鈞顏時深依結嗣以

鷹揚變伐深慚驥附無由然每聞

建樹之隆彌切傾葵之慕重以海關全局胥賴

主持樂和個人渥叨

知遇私衷感佩實非楮墨所能形容客樂和猥以輕材謬膺重寄自就任現職以來所以力圖報稱者固非一端然其主要之政見有三茲謹縷晰陳之一曰服從政府命令所有海關行政無論巨細悉秉承財政部及關務署命令辦理在事實上務使海關為純粹中國機關一洗從前假外力以自重之積習二曰提



高華員地位從前海關華員待遇大抵遜於洋員樂和則以華洋職員平等待遇爲主旨近年以來華員擔任要職者逐漸增多由是華洋職員因有和衷共濟之誼遂收通力合作之功三曰整頓海關稅收海關徵稅事宜雖有成規可循仍須隨時改善況自稅率增高以後私運頓形充斥樂和內則增加緝私組織外則添造緝私巡船由是私運減少稅收遞增而國家對於內外債之信用益臻鞏固此則樂和所差堪自慰而益當力勉者也樂和供職多年迄未請假回國前於十六年曾擬請假回國料理家事其時適有要公致未果行茲因家事急待清理呈請短假六個月返英本擬躬詣

崇轅稟辭請

訓惟以公務攸羈未克如願歉悚良深樂和雖暫行回國一切負責有人於關務毫無影響如遇必要時仍可縮短假期立即回關堪以仰紓

厘系邇來捷報頻傳匪氛漸熄行見撓槍掃而河山永奠劍戟銷而日月重光而鉤座之偉烈豐功從此永垂不朽矣無任馨香禱祝之至專肅稟辭敬陳積悃祇請

崇安伏惟

垂鑒

海關總稅務司梅樂和謹肅三月二十一日

樂和先生大鑒展誦

手函備聆種切

先生年來對於海關悉心擘畫成績著卓具佩

賢勞此次返英稍事休息尙希

假滿歸來繼續整理爲幸耑復並頌

旅祺

蔣中正四月一日

## SEMI-OFFICIAL CIRCULAR No. 106.

**Sir Frederick Maze, Inspector General: Memorandum describing in detail the policy by which he has been guided in his administration of the Customs Service since his elevation to the post of Inspector General in January, 1929, appended with Chinese translation for information of Commissioners and senior members of Staff.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *1st May 1934.*

SIR,

Just before his departure on home leave the Inspector General, Sir Frederick Maze, handed to me for my guidance during his absence a memorandum describing in detail the policy by which he has been guided in his administration of the Customs Service since his elevation to the post of Inspector General of Customs in January, 1929. As this memorandum is of the greatest import to the whole Service and constitutes in my opinion a document of historical interest, I append a copy of it with Chinese translation for your information and for the information of the senior members of your Staff.

There is no need for Sir Frederick to defend his policy: its wisdom and success have been amply demonstrated by the triumphant manner in which the Service has come through the trials which have beset it during the last few years, trials which might so easily have led to disintegration and disaster had any other policy been pursued.

What that policy consists of is explained at length in Sir Frederick's memorandum, but stated briefly it is on the one hand a sane recognition of the fact that the Inspector General's authority derives from the Government he serves and not from any treaties between China and foreign powers, and on the other hand a just appreciation of the claims of the Chinese staff to appointments in the higher ranks of the Service to fit them for the time when they will be called upon to administer the Customs independently of foreign assistance. If to-day this policy appears self-evident it must be remembered that its wisdom has by no means always been realised and that it remained for the present Inspector General to give it form and to act upon it.

I am, etc.,

L. H. LAWFORD,  
*Officiating Inspector General, ad interim.*

## ENCLOSURE No. 1.

CONFIDENTIAL.

## MARITIME CUSTOMS SERVICE.

## NOTE CONCERNING PRINCIPLES OF ADMINISTRATION.

I wish to place on record certain facts relating to the administration of the Service during recent years, and to the peculiar position into which the Inspectorate drifted during the period immediately preceding my assumption of the post of Inspector General; and I also desire to refer to the reintroduction by myself of a policy calculated to restore the Chinese character of the Administration and regain the confidence of the Government and the public by the adoption of revised principles of administration which will, I believe, carry the Service further and more safely than those latterly followed by my predecessor.

The history of the Maritime Customs Service may be divided into three periods—first, from the establishment of the Inspectorate to the fall of the Manchu Dynasty and the death of Hart (1911); second, from the outbreak of the Revolution to the introduction of Tariff Autonomy in 1929; and, third, from the latter event to the present time.

Throughout the first period which closed in 1911, Hart adhered to the principle that the aim of the Inspectorate—a Chinese, not a foreign, institution—should be to “act with and assist, not ignore “or displace, Native Authority” (*vide* Circulars No. 24 of 1873 and No. 1265, Second Series); and so long as this sagacious attitude was adhered to, the Service enjoyed the support and confidence of the Government of the day. It is appropriate to recall that some six decades ago he—referring to the Customs Inspectorate—circularised the Service as follows:—“ . . . The employment of “foreigners in the Customs—however usefully it works as an “assistance in the transaction of business with foreigners, or “however profitably as an instrument for the collection of revenue— “is, in more ways than one an unpalatable fact; for although the “growth of the Customs establishment has been encouraged, yet “it has, with foreign intercourse, been to some extent forced on “China; and, moreover, its existence implies that Chinese officials “cannot do their own work! It should not be forgotten, therefore, “that sooner or later the existence of the foreign-controlled “Inspectorate must come to an end: it may flourish, do good work

“ and be appreciated for a time; but a day must come when natural  
“ and national forces, silently but constantly in operation, will eject  
“ us from so anomalous a position. Meanwhile we are here to act  
“ with and assist, and not to ignore or displace, Native Authority.  
“ . . . ”

After the outbreak of the Revolution in 1911, certain cardinal changes in the disposition of revenue moneys were introduced, and, upon representations being made by the Diplomatic Body to the Government, the Service for the first time in its annals was charged with the responsibility of collecting and banking the revenue and directly controlling the Indemnity and certain loan obligations. In pursuance of this new arrangement the Commissioners were compelled to supersede their colleagues the Superintendents as local collectors and custodians of the revenue, and certain other anomalies subsequently arose in connexion with the Inspector General's control of the “surplus revenue” and the regional loans which further complicated the situation, occasioned grave misunderstanding and weakened confidence. Furthermore, I should mention that when the Diplomatic Body advocated the above modifications in established practice, it was not originally contemplated by them that at a later period the application of the new procedure—devised to provide for extraordinary conditions of a temporary nature—would involve the custody by the Inspector General of the surplus revenue. In 1911 the Customs revenue was not sufficient to meet all the obligations in connexion with the service of the Indemnities and Loans, and the question of the disposal of the surplus, therefore, did not then arise. At a subsequent period, however, when the revenue increased, the Diplomatic Body adopted for a time the somewhat anomalous course of refusing to “sanction” the release of surplus revenue unless its existence was confirmed by the Inspector General; but there is no ground for presuming that they were disposed to offer suggestions in respect of the disposition of funds remaining after the liquidation of the financial obligations secured on the Customs—on the contrary, it seems to have been generally understood that intermeddling with balances of such a nature would sooner or later culminate in misunderstanding, and adversely affect the stability of the Service. It is not surprising, therefore, that the Customs association with regional loans in the North rendered the Inspectorate unpopular with the Southern Party or the Kuo-min-tang; and that interference in any shape or form with Government moneys which ought to have been dealt with directly by the Minister of Finance was resented by the Central Authorities. Thus step by step the Service was permitted

to develop into a sort of *imperium in imperio*, and according to Sir Francis Aglen's own admission on record in the Inspectorate archives it became "practically independent of the Government in matters of finance and as a last resort resting not on the Chinese Government but on the foreign Powers." The opposition against the loans procedure evidenced by the Southern Party was intelligible—a civil war (North against South) was in progress when the loans in question were floated, and a considerable proportion of the Customs revenue concerned was collected in the Southern area, yet all the available revenue of late years even when the Southern forces controlled some 65 per cent of Chinese territory, was applied to the service of the Northern Loans. In other words, the Northern Government received the assets and the Southern Government were to some extent saddled with the liabilities. But the Inspectorate should not be arraigned for administering loans floated by the recognised Government of the day, and doubtless the Southern Authorities understood that as an employee of that Government the Inspector General was obliged to execute their loan policy.

About the close of the year 1926 the Peking Government proposed to place the general collection of the so-called "Washington Surtaxes" throughout China in the hands of the Inspector General, and the latter realised that if the Customs were to become the medium for the collection of an extra-treaty impost without the consent of the Powers concerned, serious complications would arise. He very properly endeavoured, therefore, to persuade the Authorities to abandon the proposal—even going so far as to declare that in the event of the Government declining to accept his advice and issuing definite instructions on the subject "the Customs must stand aloof" (*vide* S/O Circular No. 53). A Presidential Mandate was promulgated on the 31st January 1927 implying disapproval of the attitude thus adopted (大總統令准免本職); and upon the expiration of one year's special leave authorised by the Customs Board (稅務處), his connexion with the Service terminated. While it was correct, of course, for him to point out the inadvisability of associating the Service with procedure neither formally sanctioned by treaty nor justified by precedent, it is obvious that the Inspector General cannot properly constitute himself the arbiter of China's fiscal policy: his duty is to execute the Government's orders, and in doing so he is not personally responsible in respect of possible international reaction, while in the event of any proceedings being taken against him in a foreign Court for acts done by him as a Chinese Customs officer it would, of course, be a conclusive answer to such proceedings that the act complained of was done

within Chinese jurisdiction—that is to say, he derives his authority from the Government and not from treaties or other international instruments. The Surtax question arose a few months later in another form in Shanghai when a movement was set on foot to break up the existing Surtax organisation there by releasing cargo on payment of the 5 per cent Treaty Duty and before liquidation of the  $2\frac{1}{2}$  per cent Surtax; and an attempt was made to place the Commissioner of Customs (myself) in the position of principal, who was evidently expected to accomplish individually what the Diplomatic Body could not effect collectively. I pointed out, however, that I was not, and in no circumstances would permit myself to become, the principal; that the Nanking Government alone were responsible; that the imposition of extra-treaty taxation by that Government called for Diplomatic, not Customs, intervention; and that I would take no action in the matter, beyond giving advice to the Government when asked to do so. At the same time my views were explained to, and endorsed by, the Senior Consul and the Shanghai General Chamber of Commerce, *vide*, as regards the latter, the correspondence appended hereto; while the Nanking Government signified their satisfaction with what was styled my “very correct attitude” (*vide* S/O Circular No. 62). I need scarcely observe that if the Shanghai Customs had become entangled in a political controversy of this nature, the stability of the Service would have been shaken and the Indemnities and Loans secured thereon endangered. A short time afterwards a plan was proposed to elicit the co-operation of the Consuls of the Great Powers in a scheme to take over the Shanghai Custom House from Chinese control and place the management of it for the time being in the hands of a “Committee of Consuls,” or some such body; and in pursuance of this proposal the Chairman of the Shanghai General Chamber of Commerce was asked whether he could provide Appraisers to serve in the new administration. He wisely replied that the Customs Office should continue to exercise its normal functions unchanged up to the issue of the Duty Memo.; and in the end saner counsels prevailed and this curious project was dropped.

When the office of Inspector General became vacant early in 1927, Mr. A. H. F. Edwardes, Commissioner of Customs, was appointed Officiating Inspector General by Marshal Chang Tso-lin’s Government, with the support of the British Minister; but this arrangement was not recognised by the Nanking Government until October 1928, and in the meantime an *impasse* arose. As the Senior Commissioner in the senior post (Shanghai) the Nanking Government, naturally enough, turned to me for advice in connexion

with Customs affairs, and I was invited to become either Deputy Inspector General or Chief Commissioner. I declined. A few months later I was formally offered the post of "Southern Inspector General," and at the same time the Government announced "that they would not recognise appointments made by the Peking Inspectorate unless approved by me." I once more refused to be a party to splitting the Service into two sections—North and South—which is I think a sufficient answer to the charge disseminated by an imperfectly informed section of the local foreign press that I had endeavoured to "break up the Customs."

When I was appointed Inspector General in January 1929, I visited Nanking and had confidential conversations with influential members of the Government there, to whom I pointed out the desirability of sustaining China's credit by permitting the Customs Administration to continue for the time being on the present lines. I was assured that the relation of the Service with international finance and Chinese credit was understood; that no material alteration of the policy lately introduced was contemplated; and that my intention to train the Chinese Staff for greater responsibility in anticipation of that future day when the executive administration of the Service will be conducted entirely by Chinese, was approved. In view of these assurances it is improbable that vital changes are contemplated in the immediate future, but gradual development on lines that will provide for the assumption of greater responsibility by the Chinese Staff is natural and ought not to be discouraged.

I will now outline briefly the course of action which I inaugurated on my assumption of charge. In the first place, I believe that our "usefulness" to whatever Party functions as the Government of China will prolong for a considerable period the existence of the present *régime*. I myself have helped to strengthen the position of the Inspectorate by including in my general policy three principles, namely: (a) Equality of opportunity for qualified Chinese—*i.e.*, eligibility for promotion to the rank of Commissioner (*vide* Memorandum to the Kuan-wu Shu appended hereto); (b) Transference of "extraneous influence" to the Chinese Government; and (c) Non-interference with the surplus revenue. In regard to the first (a), it should be understood that in the early days of the Service the "Western-educated student" class as we know it now did not exist, and Hart was justified, therefore, in organising the Staff on the basis of a purely foreign *personnel* for the key positions. But in 1911 a chapter of Chinese history and a chapter of Customs history closed and a new chapter opened—the Manchu Dynasty ended, Hart died, and the Republic emerged. If the Writing on

the Wall had been read, or, if read, understood, it should have been realised then that the time had come to relinquish certain archaic restrictions and to accord the Chinese Staff a footing on a higher plane.

It may be assumed that each succeeding Minister of Finance, and also the Chinese bankers, etc., will continue to depend to a large extent upon the Maritime Customs revenue—the former regarding it as the main financial asset of the Government, and the latter as the chief pillar of Chinese finance, and, this being so, there will presumably be little disposition or legitimate excuse to kill the goose that lays the golden eggs, especially as the Chinese character of the Service has now been restored. The Chinese Staff—like their foreign colleagues—are functioning in a contented and highly efficient manner, and it is generally understood that if the prevailing principles of administration were to be overthrown, and if the post of Inspector General becomes a political appointment, continuity of service, which contributes so much towards efficiency, would gradually disappear. Moreover, by emphasising the Chinese *status* of the Service, and keeping the foreign element in abeyance as much as possible, there is less ground for Chinese public opinion to demand the dissolution of the existing “Inspectorate System.” And the fact that the cost of collection, including the maintenance of the Lights, Harbours and Preventive Departments, is only about 8 to 9 per cent, helps to discourage adverse criticism: this comparatively low percentage is feasible because the introduction of the higher tariff has increased the revenue, and is also partially due to the fact that we continue to apply “permit fees” and such-like subsidiary funds towards the cost of administration.

In conclusion, I think that it is now an established fact that the Service has been successfully carried through the most difficult crisis in its eventful history, and this may be attributed to the reassertion and development of the general principles upon which Hart organised and conducted the Administration.

F. W. MAZE,  
*Inspector General.*

SHANGHAI, 17th March 1934.

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*Copy of Confidential Letter to Mr. E. T. Byrne, Chairman, General Chamber of Commerce, Shanghai, from Mr. Maze, Commissioner of Customs, dated Shanghai, 25th August 1927.*

DEAR MR. BYRNE,

Some misconception concerning the Customs position in connexion with the surtax question appears to have gained a certain local currency, and it is appropriate, therefore, for me to define my attitude in the matter. The imposition of extra-treaty taxation raises a political issue which directly concerns the Treaty Powers and the Government—whether *de facto* or *de jure*—that imposes the taxes. The Maritime Customs Service is merely a Department of the Chinese Government and cannot properly become associated with measures devised by Consulates to resist the payment of tribute not authorised by treaty or sanctioned by custom. The Powers must act independently in the matter and devise whatever means appear to them necessary to protect their interests. The Nanking Government have established a Surtax Bureau in the Bank of China (Customs Bank), and by virtue of the Director's position as Superintendent of Customs the Bureau have access to certain Customs documents,—notably Duty Memos.,—which they restrain until extra-treaty imposts have been liquidated. That is to say, the Customs Bank is thus debarred from issuing Duty Receipts for treaty duties, pending the payment to the Bureau of extra-treaty taxes; and the Customs, in turn, according to treaty principles and established practice require documentary proof—in the shape of Duty Receipts—that treaty duties have been actually credited to the Customs Revenue Account with the Chinese bank authorised by the Chinese authorities to receive them.

In view of these peculiar conditions and extra-treaty exactions, Consuls have since authorised merchants in certain circumstances to deposit treaty duties in Consulates and have requested me to release cargo on which treaty duty has been paid in this manner. But I cannot recognise the principle that Consuls may establish Customs Banks in Consulates independently of the Chinese authorities; and I decline to release officially cargo not covered by Duty Receipts issued by the recognised Customs Bank. It is urged, however, that the latter refuse to issue such Duty Receipts until the Surtax Bureau has received payment of surtaxes, and that the Customs Administration is being used as a lever to enforce illegal taxation. I contend, nevertheless, that the proper remedy is—not for the Customs to intervene, but—for the Powers themselves to take direct action, as stated above, and negotiate with the Government that

authorises extra-treaty levies, with a view to removing the irregular restrictions placed by the Bureau upon the normal transactions of the Customs Bank. I may mention, furthermore, that an attempt was made recently to settle this international question, and thus quash the Surtax organisation, by enlisting the active assistance of the Commissioner of Customs in a campaign against the Nanking Government! The Customs Service, as you know, is the mainstay of China's credit abroad and of international trade in China; in addition to this, it administers highly efficient Lights and Harbour services; and, moreover, is directly responsible for the Indemnity and Loan payments. My considered opinion is, and I confidently affirm, that if the Customs Administration were to allow itself to be drawn into a political conflict in association with foreign authorities against the Nanking Government, the result would be disastrous to Customs interests in Shanghai; would endanger the integrity of the Customs establishments situated within the Nationalist area; and would seriously affect the security of the Indemnity and Loan Services.

. . . This premised, I may add that my policy has been, and will continue to be, in spite of malevolent press notices, etc., based upon inadequate knowledge, to keep the Customs out of the political arena, and leave the Powers to settle their difficulties in whatever manner seems to them best. In following this principle I conceive that I am acting in the best interests of trade and finance—Chinese and foreign.

In conclusion, I ought to correct another misunderstanding which prevails in some quarters, viz., that Commissioners of Customs can function independently of *de facto* Governments. This view is entirely erroneous. To illustrate my meaning I may mention that in Shanghai the Customs, in addition to the Head Office on the Bund, administer the following out-stations: the North Barrier, 10 miles up the Soochow Creek; the South Barrier, 5 miles up river; the Native Customs, Nantao; the Pootung Buoy Yard, where costly lighthouse gear, spare buoys, chain, etc., are stored; the Explosives Magazine; valuable floating property on the river—including lights tenders and launches; the Woosung Native Customs; and the Woosung Harbour Office. I am in the nature of things compelled to rely solely upon the Nanking Government for the protection of these outlying and extra-Settlement properties. How, then, can I properly administer the Shanghai Customs independently of the *de facto* Government?

Believe me,

Yours sincerely,

F. W. MAZE.

*Copy of Letter to Mr. Maze from Mr. Byrne,  
dated 15th September 1927.*

SIR,

In reply to your letter of 25th August, I am requested to inform you that the Chamber recognises the difficulty of your position, and entirely endorses the policy and attitude which you have adopted, which keeps the Maritime Customs outside all politics, and safeguards as far as possible the interests of trade and finance. The Chamber is also of opinion that the integrity of the Customs should be maintained, and that the foreign Powers should oppose any endeavour by local authorities to usurp or interfere with its administration.

I have, etc.,

E. T. BYRNE,  
*Chairman.*

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ENCLOSURE No. 2.

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CONFIDENTIAL.

*Translation of Memorandum re Customs Personnel, Chinese and  
Foreign, submitted to Nanking Government, 1928.*

Mr. Maze, in the capacity of Director, introduced a system into the Whangpoo Conservancy Board about 18 months ago, whereby Chinese employees became eligible for certain positions hitherto held by foreigners; and lately arrangements have been perfected to appoint a qualified Chinese Assistant Engineer with a view to training him for the ultimate position, later on, of Engineer-in-Chief. The new system is working well and has fully justified Mr. Maze's expectations. The pay of the Board's Chinese employees has been raised and their Service conditions have been generally improved. Mr. Maze, however, has drawn attention to one factor in regard to pay—he pointed out that when revising scales of pay the Board should not disregard the general rates at present obtaining in the various Chinese Government Departments.

If the principles referred to above answered well and have proved suitable in the case of the Whangpoo Conservancy Board, such measures should be equally successful in the Customs. In the early days of the Service when the establishment was being developed and organised, it should be considered that it was not possible to find Western-educated Chinese to fill the higher positions in the Service. In former times, for example, it was rare for Chinese to go abroad, and the "Returned Student" class as now known did not then exist. This being so, it necessarily followed that the higher positions in the Customs (a Chinese Department having large direct relations with foreigners not acquainted with the Chinese language) were, and at the present moment are, filled by foreigners. But conditions are changing, and the Customs' system must change with them, and must move on with the times. There are now many foreign-educated Chinese suitable for our purpose to draw upon and no difficulty is experienced in securing such men for employment in the Service. Mr. Maze realises that foreign loan agreements definitely stipulate that the existing system of the Customs administration must remain unchanged during the currency of the loans concerned, but this does not debar reorganisation of the rules now governing the employment of Chinese in the Customs Service. In his opinion, such employees should be eligible for any post in the Revenue Department up to the rank of Commissioner. Each Chinese employee has the inherent right as a Chinese citizen to be eligible to attain, if qualified, the highest post in his grade: the Service is a Chinese organisation and Chinese employees therein should not receive less favourable treatment in regard to advancement, etc., than their foreign colleagues. This premised, qualified Chinese Assistants, Clerks, Writers and Tidewaiters, etc., should be permitted to gain a footing on a higher plane. Until political conditions, etc., in China become more stable, however, and until political control over the whole of China is secured by the Central Government, Mr. Maze sees serious difficulties in regard to the proposal to appoint Chinese Commissioners to take charge of certain Treaty-port Custom Houses and thus be placed in positions of direct responsibility *vis-à-vis* local Chinese and foreign Authorities and communities. There would be grave danger at present, and perhaps even for many years to come, that Chinese in such positions would be coerced in regard to administrative affairs by Military or other Chinese local Authorities, to the very serious detriment of Chinese Revenue interests. For this reason, it is suggested that it would be unwise to appoint Chinese to important revenue-collecting posts at present. But there are many other positions, up to and including that of Deputy Commissioner, which could and should be filled by

qualified Chinese—the fact that Chinese employees are not being discriminated against would in itself improve the *morale* of the Service and thus increase its efficiency. If you want to keep a man useful you must tell him that he is useful! Qualified Chinese, therefore, should be placed on an equal footing with their foreign colleagues in regard to promotion to responsible posts, etc.

The question of pay presents some difficulty. A prominent member of the Government and one of the Elder Statesmen recently remarked: "The Chinese Government should continue to employ "qualified foreigners, should pay them well and make them work." Now, reliable foreigners will not travel half way round the world, serve an alien Government, and live in comparative exile for the same emolument as may obtain in their respective countries. It follows, therefore, that foreigners, who, besides, have gold commitments and obligations to discharge, get higher pay than Chinese who are living in their own country and among their relatives and friends; and this factor should not be lost sight of when determining scales of pay—furthermore, the pay issued to Chinese in the Customs should bear a relation to the scales of pay of Chinese in other Chinese Government Departments, as already mentioned. But Mr. Maze considers that the question of pay is in some respects less material than the question of dignity and self-respect. And for this reason he advocates the appointment of Chinese to higher positions in the Customs, thus giving Chinese more responsibility and more "face." The aim should be, moreover, to train up a Chinese Staff which at some future date will be able to administer the Chinese Customs on efficient lines. Unless men are trained for positions of trust, how can they be expected in the future to be fitted to take up higher responsibilities? And promotions should not be arranged merely by seniority: for the higher posts, they ought to be by selection. In a large cosmopolitan Service like the Customs, candidates for the senior ranks—whether Chinese or foreign—should be carefully selected according to character and qualifications: this is the only way to secure efficiency. Of course, where two men are equally good, the senior should get the preference, and a junior should not be promoted over the head of a senior unless he is the better qualified of the two. Mr. Maze has refrained from touching on Service conditions in the Marine Department, but if requested to do so, he will submit recommendations for consideration.

In regard to the principles governing the employment of foreigners in the Customs, Mr. Maze is of opinion that efficiency would not suffer if fewer foreigners are employed, provided that they are in every respect fit—and those who are not fit, or for

various reasons are not suitable, should be retired: we must eliminate "dead-wood"! The view has already been expressed elsewhere that it is unwise to stop recruiting foreign Tidewaiters for employment in the Out-door Staff. The protection of the Revenue is of paramount importance, and it seems to Mr. Maze that the Revenue cannot be properly safeguarded in existing conditions unless the Customs Staff (In-door, Out-door and Marine) is partly foreign: this is a domestic question, however, for the Government to decide for themselves—Mr. Maze has been asked for his views and he therefore expresses them freely. The Customs in the past have rendered useful service to China and the world, and, with a Staff composed of Chinese and foreigners the Service should continue to be a valuable organ for the conduct of foreign trade and the collection of Chinese revenue. But to be useful the Staff must be contented as well as efficient, and in order to be contented must be justly treated!

SHANGHAI, 30th May, 1928.

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## ENCLOSURE No. 3.

## 海關歷任總稅務司政策之沿革及將來行政之方針

余自就職以來，對於海關所採之政策，既已見諸實施，本可無庸詞費，然余猶不能已於言者，乃爲余之政策，是否適當耳。顧欲知余之政策，是否適當，又不可不將以前歷任總稅務司之政策，及其在政策上所獲之效果，一一追述而衡量之，庶可得有正確之認識，以爲將來行政之南針。今於敘述之前，先作簡單之論列，蓋余之政策，在恪遵赫前總稅務司之遺規，使海關爲純粹中國機關，以期獲得政府之信任，及一般商民之同情，且深信此項政策，可將海關置於最安全最完善之地位，較之安前總稅務司所施之政策，爲深合時宜也。／

歷任總稅務司政策之沿革，可分爲三時期，第一時期，自總稅務司署成立起，至前清宣統辛亥年止，第二時期，自辛亥革命起，至中國恢復關稅自主止，第三時期，自恢復關稅自主起，至現在止，試分述於左。／

第一時期，爲赫前總稅務司任職時期。赫前總稅務司對於海關之觀念，以爲總稅務司署，乃係中國機關，總稅務司係受中國政府之任命，辦理海關事務，故總稅務司在執行關政上，對

於中國政府，係協助性質，非代替性質，自不應蔑視中國之主權，而謂政由我出。其在前清同治十二年間，曾有通令申明此義，略謂海關僱用洋員，對於海關與洋商接洽事務，無論如何便利，對於海關稅收，無論如何有益，但總非中國歡迎之事，海關雖因僱用洋員，頗見發達，然在中國方面觀之，似在被迫與外國通商之後，不得已而爲之者，因此現行由洋員管理之海關制度，遲早必須取消，此種制度縱可收效於一時，爲中國政府所借重，但日後洋員地位，必因中國民族能力之發展，而受天然之淘汰，故吾輩洋員之責任，僅係協助中國政府，辦理海關事務，不可置中國主權於不顧，或竟取而代之也。後於前清光緒三十一年，復經重申前令。余以爲赫前總稅務司此種見解，甚屬正當，至今日而益信，其在任時，所以能得中國政府之信任，而立不朽之功業者，良由於此。至前清宣統辛亥赫前總稅務司逝世，迄今二十餘年矣，中國有識之士，猶爲之稱頌不置焉。／

第二時期，赫前總稅務司逝世後，繼任者爲安格聯氏。未幾武漢起義，支配海關稅款辦法，因之發生重大變化，緣外交團方面，深恐以關稅作抵之債賠各款，致受時局影響，因要求中國政府特准總稅務司負責經征並保管稅款，兼主管債賠各款事務，於是各關監督經征及保管稅款之權，始移轉於各



關稅務司之手。嗣管理關餘，及以關餘抵借債款各問題，又相繼而起，以致情形愈爲複雜，而總稅務司與中國政府，歷年以來，發生種種誤會，實卽胚胎於此。然此種結果，實爲當時外交團意料所不及，在外交團要求變更經征及保管稅款辦法之初，原係應付一時之特殊情形，並無意涉及關餘保管問題，蓋其時關稅收入，尙不敷撥付債賠各款之用，安有所謂關餘，既無關餘又安有所謂關餘保管問題，嗣海關稅收增多，使團方面，雖偶有非經總稅務司證明，不允中國政府提用關餘之辦法，但若謂以後外交團對於關餘，有意干涉，實爲遠於事情之論也。且當時一般見解，以爲總稅務司保管關餘，終必與中國政府發生誤會，而海關之地位，亦必蒙其影響，證諸安前總稅務司任內之事實，益令人服其先見。安前總稅務司就職後之數年，廣東護法政府組織成立，與北政府兩相對峙，而海關在事實上，則隸於北政府，故北政府得以關餘抵借債款，然關餘者，乃係全國海關之關餘，所有廣東政府統治下之各省海關關餘，當然包括在內，北政府既以全國關餘，抵借債款，是北政府獨享支配全國關餘之權利，而使廣東政府擔負債務上一部份之義務，則廣東政府之反對此事，並連帶反對管理關餘之總稅務司，自不待言，而北政府以總稅務司把持關餘，侵奪財政部之權限，對之亦甚嫉視，馴致海關形成獨自爲政之局，安前總稅務司於十一年某函中有云，海關在中國財政上，完全變爲獨立，最後所恃以維持

者，非中國政府，乃爲列強政府，云云，其情形概可想見。然夷考其實，安前總稅務司保管關餘，雖近擅專，但代管內債，係受當時政府之委託，既爲當時政府服務，自屬義不容辭，此種情形，亦爲廣東政府所深悉。迨至十五年年終，北政府擬將全國二五附加稅，交由海關徵收，安前總稅務司以爲此項附加稅，既爲條約所無，又未獲各國同意，若海關遽行徵收，必致引起國際交涉，因力勸北政府取消此議，一面通令各關稅務司，如政府不納諫言，逕頒明令，海關應堅決拒絕代收，等語，此種態度，深爲北政府所不滿，遂於十六年一月三十一日奉大總統令，准免本職，旋由稅務處特准給假一年，假滿後卽行退休，余以爲安前總稅務司，當時對於此案，其理由無論如何正當，祇可向政府陳述，不應自視爲關稅政策之主持者，蓋總稅務司職在奉行政府之命令，倘因執行命令，發生外交上之關係，或法律上之問題，總稅務司當然不能負責。易言之，總稅務司之職權，係中國政府所授予，而非得自條約，此余對於此事之觀察也。然而安前總稅務司之政策，亦大略可知矣。／

安前總稅務司於十六年初退職後，經北政府派委易執士氏代理總稅務司，英國公使亦從中贊助之，至十七年十月間，南京國民政府，始予承認。易氏在職期間，對於管理關餘及其他事宜，仍遵循安前總稅務司之成規，其他亦無所表見，故略之。／

余於此又有附帶敘述者二事。當十六年春間，上海方面，關於附加稅問題，曾發生最奇異之運動，緣其時有人提議，所有進口貨物，於完納關稅以後，未繳附加稅以前，即由關將貨放行，以圖推翻附加稅之組織。是時余適在江海關稅務司任內，參預此項運動者，擬推余爲首領，提倡實行，余聲明不願爲此事之首領，並不願在任何情形之下爲首領，南京政府征收無條約根據之捐稅，係外交範圍之事，海關不能干預，除政府向余垂詢時，可貢獻意見外，不能採取任何行動。同時余又將此項意見，向駐滬領袖領事，及上海洋商商會，分別說明，均無異議，而南京政府，對於余此種態度，亦認爲極端正當，並表示滿意（見機密通令第六十二號及附抄與此事有關往來函件）假使余當時輕信若輩之主張，則海關必牽入政治漩渦，不惟海關制度，將發生劇烈之變化，而以關稅擔保之債賠各款，亦將有意外之危險矣。／

在前項運動發生以後，不久又有人提議，由各大國領事合作，將管理江海關之權，由中國方面攘奪，暫由領事組織委員會管理之。在進行此項計畫之時，有人曾詢問上海洋商商會能否供給驗估人員，以爲此項新組織之用，當時該會主席答以在繳納稅款以前一切事務，仍應由海關照常辦理，無庸變

更，等語，嗣穩健派得佔優勢，此項運動，旋即消滅。觀於以上兩事，可知中國海關，當時實處於危險之地位，此種事件，雖不在總稅務司政策範圍之內，然亦有因果之關係，故附述於此。／

第三時期，易前代理總稅務司，自十七年十月間，經國民政府承認後，至十八年一月即行辭職，國民政府遂任余爲總稅務司。今欲述余就任後，所採取之政策，姑先述余就任前種種之經過。在易前代理總稅務司未經國民政府承認以前，余方任江海關稅務司，當時國民政府以余在稅務司中，資格最深，又居江海關稅務司重要地位，故關於海關一切事宜，恒垂詢於余，並擬派余爲副總稅務司，或領袖稅務司，余雅不欲海關分裂，當即力辭，數月後，國民政府又擬派余爲南方總稅務司，並聲明所有總署委派人員，不經余核准者，政府即不承認，余仍本前項宗旨，力辭不就。余此種態度，原爲維持海關完整起見，不意當時有少數上海外籍報紙，竟謂余有破壞海關之意，橫肆攻擊，殊爲遺憾。／

余受任總稅務司後，赴南京晉謁當局諸公，詳述維持海關現行制度，以鞏固財政之基礎，及內外債之信用，爲第一要義，當局諸公，亦均洞鑒及此，表示無變更現行制度之意，並對於余擬訓練海關華員，使能負較重責任，以備將來完全由華員自辦之意見，表示嘉許，由此觀之，在最近將來，海關現行制度，當無若何變更，余對於海關之觀念既如彼，當局諸公之意見又如此，故余決定主要之政策

有三，（一）華洋職員，平等待遇，華員中有相當資格，及辦事得力者，得升充稅務司（二）服從政府命令，不受外力之干涉，（三）絕對不干涉關餘。關於第一項，余尤當說明者，在設立海關之始，華人中受新式教育之人才甚少，故赫前總稅務司不得不以洋員任幹部職務，以應需要。自民國肇造，時勢丕變，華員中有相當關稅經驗者，日見增多，昔日對於華員之限制，不容存在，故提高華員地位，乃係自然之趨勢，亦係公允之辦法，所謂彼一時此一時也。要之余之政策，一方恢復中國在關政上之主權，一方維護海關現行制度，斯二者似相反而實相成。何則，若徒欲維護海關現行制度，而不恢復中國在關政上之主權，則政府對於海關，勢必不能信任，國內輿論，亦必加以非難，而現行海關制度，終無維護之可能。若徒欲恢復中國在關政上之主權，而不維護海關現行制度，則海關地位，發生變動，使中國在財政上，國信上，以及與海關有關係之各種事業上，同受影響，而中國在關政上之主權，亦難達恢復之目的。前者之理由，尚簡單而易知，後者之理由，則複雜而難明，茲將後者之理由，詳細說明之。中國所有償賠各款，均由總稅務司管理，而國內公債，亦多以關稅為擔保，信用頗為鞏固，如海關現行制度，發生變動，則海關隨政局為變遷，中國政府對於內外債及賠款，無論如何維持信用，亦不能免債權者之過慮，而對內對外之糾紛，正不知伊於胡底，此關於國信者也。中國國庫收入，

以關稅爲大宗，實爲國家命脈所託，現正在竭力整頓之中，將來關稅收入，尤居中國財源重要地位，自可斷言，歷年以來，中國政局，雖極端倏擾，而海關之統一自若，關稅之完整自若，中央軍政各費，大抵取給於此，若海關現行制度，一有變化，則海關勢不能超然於政治漩渦之外，海關既隨政局爲轉移，關稅亦隨政局而分裂，而中央軍政各費，自必頓形枯竭，所有一切建設，均無進行之餘地，此關於財政者也。不甯惟是，現時中國港務燈塔，及引水事宜，因時勢之需要，均由海關管理，中外航商各業，均利賴之，他如中國金融事業，亦與海關有密切之關係，其盈虛消長之機，實由海關司之，凡此諸端，均附麗於海關現行制度之下，而同其休戚，此尤其顯焉者也。余迭向政府，申述此旨，深蒙採納，蓋於此有同揆焉。／

海關現行制度，既有維護之必要，且爲政府所深知矣，吾人對於海關行政，惟有厲行余之政策，絕對服從政府命令，使海關爲純粹中國機關，而無客卿專政之嫌，使華員地位提高，俾可擔任重要職務，而無久假不歸之意，且須盡心服務，以期獲得優美之成績，如此則政府方面自必益加信任，對於現行制度，必不願輕事更張，自壞其財政上之萬里長城，卽中國與海關有關係各方面，亦必表示深切之同情，而予以相當之擁護矣。／

近年以來，因華員地位提高，所有華洋人員，頗能和衷共濟，辦事效率，亦因之增加，將來關政前途，自必有蒸蒸日上之勢。而吾人所又堪自慰者，關政則日進有功，經費則極力縮減，統計海關經費，連同辦理燈塔港務，及緝私設備，僅佔稅收百分之八九，是收稅百元，解交政府淨數在九十元以上，以海關行政範圍如是之廣，而經費不過此數，此種結果，一方固由現在稅率提高，稅收激增，同時復將海關所收各項雜費，充作經費之故，而海關行政得宜，尤爲其主要原因，關心關政者，對此當作如何之同情耶。余深信海關最困難時期，業已安然渡過，吾人苟能本以上所述之方針，繼續邁進，海關前途，自可樂觀，推厥本源，端由赫前總稅務司之嘉謨良規，堪資矜式，余因得祖述其意，發揚而光大之，始有今日之結果，豈偶然哉。／

致上海洋商商會主席函 民國十六年八月二十五日

逕啓者關於徵收附加稅問題，外間頗多誤會之處，茲將鄙人對於此事之態度詳細述之。徵收未經條約規定之捐稅，係一政治問題，應由中國與各國政府直接解決之，若海關僅係中國政府所屬機關，對於各國領館方面，所籌畫拒付此項附加稅之辦法，自不應有所參預，必須由各國政府用最適宜之方法，直接應付之，其理固甚明也。按國民政府徵收此項附加稅辦法，係在中國銀行海關收稅處內，設

一二五附加稅局，以海關監督爲局長，故該局因局長之地位得於商人完納關稅後，將應發給之海關稅款收據暫予留押，俟商人將附加稅繳清後，再行發給，而海關方面，按照條約規定原則，及向例，對於商人所納關稅，必須有已向收稅處繳清稅款之書面憑證（即稅款收據），方予將貨放行，各國領事鑒於以上情形，有時准許商人將應納關稅，繳存領館，請關將貨物先行放行，此項辦法，是領事得在領館內自設收稅處，鄙人礙難承認，因之對於未領有海關收稅處所發稅款收據之貨物，拒不放行，於領館方面，以爲海關收稅處在付清附加稅以前，既拒絕發給稅款收據，而海關對於未領有稅款收據之貨物，不予放行，是海關被利用爲徵收不合法捐稅之工具，不免嘖有煩言。但鄙人以爲此事解決之途徑，不當求之於海關，應由各國政府，直接與中國政府提出交涉，以免附稅局限制海關收稅處之日常工作，舍此別無他途也。／

近來又有要求海關稅務司積極協助反抗國民政府以圖破壞附加稅之組織者，不知中國海關爲國家信用及國內外貿易之砥柱，而且償賠各款，率以關稅爲擔保，並由海關直接管理，他如航行標誌，各口港務，亦均海關主持之，其責任之巨，關係之重，爲何如者，若海關與各國領事，聯合一致，反對國民政府，以圖破壞附加稅之組織，是海關牽入政治漩渦，其結果不但上海海關，將受莫大之影響，



而在國民政府統治下之各海關，亦無以維持完整之局，行見海關管理之以上諸端，均必發生變化，而債賠各款，且將根本動搖，故敝意必須將海關置於政治漩渦之外，對於解決附加稅問題，海關毫不參預，一任各國自行設法解決，雖報紙，不明真相，致有誤會之言論，然鄙人殊不以爲意，惟有根據上述原則，努力進行，且深信此項主張，於中外商務及財政諸端，良有裨益也。／

近來各方面尙有一種見解，以爲海關可以脫離政府，獨立行動。此種見解，完全錯誤，本埠海關，除租界總關外，在部屬方面，則尙有分卡多處，北卡位於蘇州河十英里以上，南卡位於黃浦江五英里以上，又南市常關，吳淞常關，及吳淞港務辦事處，在財產方面，則有浦東浮標存儲廠，火藥庫，各種船隻，以上各項。皆分布於租界以外，勢必須仰賴國民政府，予以保護，斷無可以脫離政府獨立行動之理，實不僅關於國信及國內外貿易諸端之利害而已也。／

上海海洋商會主席復函 民國十六年九月十五日

接奉大函，敬悉一是，敝商會對於閣下地位之困難，深爲了解，而閣下所持之政策及態度，係將海關置於政治範圍之外，並保障商務及財政之利益，敝會甚表贊同，敝會以爲海關完整必須維持，各政府對於本地當局把持干涉海關管理權之企圖，當必不以爲然也。／

## CIRCULAR No. 4837 (SECOND SERIES).

**Re-export of foreign imports: 10-year time-limit for duty-free  
re-export of foreign imports, introduction of, notifying;  
duty treatment of foreign re-exports on expiry of  
10-year limit; O.I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 4th May 1934.

SIR,

1.—With reference to Circular No. 4720:\*

Notifying, *inter alia*, the introduction of a Special Certificate of Import, to be used at ports where the Re-export Pass system does not obtain, to cover duty-paid foreign goods when re-exported either coastwise or abroad; and conveying Kuan-wu Shu instructions that such Certificates of Import are to become null and void on the expiry of 10 years from the date of the original importation into China of the cargo they cover:

I have now to append, for your information and guidance, copy of correspondence with the Kuan-wu Shu, from which you will see that I pointed out to the Shu that their ruling, restricting the validity of Certificates of Import to a period of 10 years, automatically cancels the privilege, hitherto in force, of duty-free re-export of foreign goods without limitation of time and raises the question of the status of foreign goods and of their duty treatment when re-exported either coastwise or abroad after the expiry of the 10-year time-limit.

2.—From their reply you will see that the Shu have now ruled (1) that foreign goods, for which satisfactory proof of import has been produced, are to be treated as retaining their duty-free re-export privilege for a period of 10 years from the date of their original importation, but that thereafter they are to be treated as native goods and are to pay export duty when shipped abroad and interport duty when moved coastwise, and (2) that the same duty treatment, irrespective of the time factor, is to be accorded to foreign goods in regard to which particulars of importation are not traceable.

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\* *Antea*, vol. v, p. 312.

3.—You are accordingly to issue with the Superintendent a joint notification, informing the public of the above ruling and stating that those who desire to avail themselves of this 10-year limit of duty-free re-export privilege for their duty-paid foreign imports should take out Re-export Passes, if the pass system is in force at your port, or make sure of preserving full particulars of such importations so that identification, to the satisfaction of the Customs, can be readily established when duty-free re-export within the 10 years' limit is required. At ports where Certificates of Import are in force, such certificates will have the same value as a Re-export Pass, and the goods so covered are entitled to the same duty-free re-export privilege within the 10-year limit from the date of original importation. The notification should also state that, on the expiry of the 10 years' limit from the date of original importation, all duty-paid foreign imports, which are covered by Re-export Passes or by Certificates of Import or the importation of which can be traced, will be treated as native goods and will be charged interport duty on shipment coastwise and export duty on shipment abroad: foreign goods the import particulars of which are not traceable will on re-export be treated as native and will be subject to the above duty treatment. To prevent possible misunderstanding and forgetfulness on the part of the public, Re-export Passes and Certificates of Import should have a note printed or stamped on them to the effect that the time-limit for duty-free re-export, either coastwise or abroad, of any of the goods specified on the documents in question is 10 years from the date of original importation.

4.—The treating of goods which are undoubtedly foreign as native is admittedly anomalous, but the anomaly will vanish with the abolition of interport and export duties.

I am, etc.,

L. H. LAWFORD,  
*Officiating Inspector General, ad interim.*

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## ENCLOSURE.

總稅務司呈 關務署文第五二九七號 中華民國二十三年一月十一日

案查 職署擬請將各關進口報單，艙口單，及稅單等各項檔案，保存年限，改爲五年，並採用進口洋貨特別憑單，以資補救一事。經呈奉

鈞署政字第一零一五三號指令略開准予照辦，惟此項憑單之有效期間，應自該項貨物進口之日起算，以十年爲限，江海關並應一律遵照此項辦法辦理，以免紛歧。等因；奉此，當經通令各關遵照去訖，惟查海關向例，對於已完進口稅之洋貨，於復出口運往國內其他通商口岸，或運往外洋時，如能呈驗完納進口稅證據，並有該項貨物之標記號數，及其他方法，可以證明確係洋貨者，概免重徵，並無時效之限制。此次

鈞令規定進口洋貨特別憑單之有效期間，自該項貨物進口之日起算，以十年爲限，未知是否係謂領有特別憑單之洋貨，於進口十年以後，即喪失免稅復出口之利益。蓋此項憑單之有效期間，雖經定爲十年，但領有此項憑單之貨物於憑單期滿後仍能呈驗證據證明確係已完進口稅之原貨海關對於此種貨物究竟應否仍視爲已完進口稅之洋貨，准予免稅復出口，似應有明確之規定。如

鈞署擬變更向來辦法，對於此項進口十年以後之洋貨，不再准予免稅復出口，則對於該項貨物，應否視爲未完進口稅之洋貨，抑或視爲已喪失洋貨之資格，而變爲土貨，實於徵免稅項，有重要之關係。而有規定之必要。如視爲未完進口稅之洋貨，於復出口運往外洋時，應予免稅，於運往國內其他通商口岸時，應照徵進口稅。如視爲土貨，於運往外洋時，應照徵出口稅，於運往國內其他通商口岸時，應照徵轉口稅。此兩項辦法，其待遇顯有軒輊，自應預爲研討，以

期允當。竊以爲按照第一項辦法，此項貨物，既仍能呈驗完納進口稅之證據，倘竟視爲未完進口稅之洋貨，於運往國內其他通商口岸時，仍予照徵進口稅，未免有重徵之嫌，而貽商人以口實。職以爲如鈞署不欲繼續向來辦法，對於進口十年以後，仍能呈驗完稅證據之洋貨，准予免稅復出口，則對於此項貨物，似應認爲已喪失洋貨之資格，而變爲土貨，於運往外洋時，照徵出口稅，於運往國內其他通商口岸時，照徵轉口稅，如此辦理，尙覺名正言順，較易推行。如蒙俯予核准，嗣後各關凡遇有按照洋貨報運復出口之貨物，而其原進口情形，不能查明者，亦擬按照此項辦法辦理，以示限制，而昭劃一。是否有當，理合備文呈請鑒核令示祇遵。

謹呈

財政部關務署長沈。

財政部關務署指令政字第一二七九七號 中華民國二十三年四月十八日

令代理總稅務司羅福德

呈一件關於進口洋貨特別憑單時效一事擬將進口十年以後仍能呈驗完稅證據之洋貨按照土貨徵稅  
由 並請將凡按照洋貨報運而不能查明進口情形之貨物亦按照此項辦法辦理是否有當候示祇遵

呈悉。查核所擬對於已失憑單時效之進口洋貨，認爲已喪失洋貨之資格，與普通土貨，應受一律之待遇，於運往外洋時，照徵出口稅，於運往國內其他通商口岸時，照徵轉口稅各節，尙屬適當，應准照辦。嗣後各關遇有按照洋貨報運復出口之貨物，而其原進口情形，不能查明者，并准按照此種辦法辦理。仰卽遵照。此令。

## CIRCULAR No. 4845 (SECOND SERIES).

**Office procedure: results of investigation into, as called for by  
Circular No. 4676, and introduction of certain reforms  
calculated to minimise the possibility of collusion  
and fraud, notifying; O.I.G.'s remarks  
and instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *9th May 1934.*

SIR,

1.—Circular No. 4676\* conveyed the instructions of the Kuan-wu Shu that office procedure governing the handling and safeguarding of Customs documents and seals was to be carefully examined at all ports with a view to eliminating any possibility of collusion in malpractice between Customs employees and the public; and instructed Commissioners to report on existing office procedure, stating whether or not they considered that it provided the necessary safeguards against such collusion, and, if not, to submit recommendations for improvement.

2.—The replies to Circular No. 4676 have been received and carefully studied, and I am gratified to note that Commissioners and their staffs have, on the whole, realised the importance of the problem of office control, made painstaking analyses of existing procedure, and suggested many sound reforms. Most of the despatches in reply to Circular No. 4676 have been answered individually, and substantial reforms have already been initiated at many ports, but I now wish to summarise the results of the investigation and to issue general instructions in this connexion.

3.—At the outset it must be borne in mind that, although the end in view and the underlying principles we must follow to attain it are everywhere the same, no uniform office procedure can be laid down which will suit all ports. Not only do port practice and peculiar local conditions necessitate variations in the details of procedure from port to port, but the mere fact of disparity in size also militates against such uniformity.

4.—Since the elimination of the drawback system for foreign imports, the two chief loopholes in office procedure have been (1) the possibility of alteration, substitution, or suppression of

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\* *Antea*, vol. v, p. 270.

Applications; and (2) the possibility of forgery of, or tampering with, Customs Bank Receipts. In order to close these loopholes, the following reforms are to be introduced at once at all ports where they are not already in operation:—

- (1) The amount of duty is to be entered in Duty Sheets immediately after assessment and calculation and not, as has hitherto been the general practice, after payment of duty.
- (2) Bank Receipts (Section I of Duty Memo.) are not to be handed to applicants by the Customs Bank, but are to be returned by the Bank direct to the General Office in sealed boxes. Cargo may be released on receipt of this Bank Receipt without requiring Section II of the Duty Memo. to be handed in by applicant.

5.—The *modus operandi* of these instructions will necessarily have to be left to the individual ports to determine. With regard to the entry of duty in Duty Sheets, the procedure is simple except at ports which have Appraising Offices or Departments located at some distance from the General Office. At Shanghai this problem has been solved by distributing the Clerks at the Duty Memo. Desk—formerly in the General Office—among the sections in the Appraising Department, where they calculate duty and enter it both on the Applications themselves and on new forms called “Duty Check Lists,” which, from time to time during the day, are sent independently of the Applications to the Duty Sheet Desk in the General Office in locked boxes. The Duty Memo. Checking Desk, which was formerly situated in the General Office, has also been moved to the Appraising Department, where it continues to check the calculation of Duty Memos. At other ports where the General Office and Appraising Office are in close proximity, there should be little difficulty in securing that the duty is entered in the Duty Sheets immediately after assessment and calculation, but it will of course be realised that the revised procedure involves (1) entry of the duty on the Duty Sheet immediately after assessment and (2) checking of this entry with the Bank Receipt returned by the Bank after payment of duty. While Commissioners will use their own judgment as to the most suitable measure to adopt, a simple procedure would be to open for each vessel a general Duty Sheet recording the duty as it is assessed and daily sheets recording the duty as it is paid day by day. The duties recorded on the daily sheets would be summarised and reported to the Revenue Accountant each day, while the general Duty Sheet would remain open until all

the duties recorded on it had been paid. In another paragraph I refer to the custody of seals and documents, but it is fitting to observe here that during the interval between assessment and actual payment of duty the utmost care must be taken to protect Applications and the documents attached to them from being tampered with.

With regard to the return of Bank Receipts from the Bank direct to the General Office, this can probably best be accomplished at most ports by having them conveyed at frequent intervals in Service-type steel boxes, but here again I do not wish to insist upon a uniform procedure so long as our object, which is to eliminate the possibility of the presentation by applicants of forged or altered Bank Receipts, is attained.

6.—The introduction of the two preceding reforms should prevent a recurrence of the particular type of fraud which gave rise to the present investigation of office procedure, but there are further ancillary measures for improved control which are also to be incorporated into the practice of ports where they do not at present obtain.

7.—It is undeniable that in practically every case of malpractice involving Customs office employees, it has been the t'ingch'ai who have been implicated, and I consider that our past unhappy experience with this type of employee justifies his complete elimination from the Service as a link between the public and the office staff and for the handling of important documents. At two of the major ports there are now no t'ingch'ai in the General Office and Appraising Department, and I wish you to study the possibility of dispensing with their services at your port in anticipation of further instructions on the subject. In the meantime you should see to it that t'ingch'ai have no contact with the public in the office, and that loose documents are not carried by them about the office. By a rearrangement of desks it has been found possible at several ports to ensure that Applications are passed from hand to hand without the intervention of t'ingch'ai. Where distances forbid the direct passage of documents, Service-type locked boxes are to be used. The handling by t'ingch'ai of the official seals is a practice which lends itself to abuse, and several ports have already been able to transfer the custody and use of the seals to Clerks or Ho-shui-yüan. This reform is now to be extended to all ports. If, however, owing to shortage of staff it is impossible to carry out this reform at once, the sealing of documents may continue temporarily to be done by t'ingch'ai, but under the closest personal supervision of a responsible employee.



8.—It is scarcely necessary to dilate upon the absolute necessity for the safeguarding not only of seals but also of all documents out of office hours and during the midday interval. Many of the frauds perpetrated in the past have only been possible because t'ingch'ai have been able to have access to documents, and I must therefore impress upon you the great importance of securing the safe custody of all documents remaining at desks pending the completion of Customs requirements. It will be the responsibility of Commissioners and their staffs to see that proper facilities for the safeguarding of seals and documents exist and are fully made use of.

9.—A very important step in office procedure is the final comparison, before ships' covers are filed, of the manifest with relative Applications and Duty Sheets to determine that every item on the manifest has been properly accounted for and that all dues and duties have been paid. This comparison is essentially an audit of office work and must be diligently and carefully carried out. With a view to emphasising its importance and to fixing the responsibility for its accuracy, the following certification is to appear on all ships' covers and is to be signed by the employee responsible for the work:—

“ I hereby certify that I have compared the manifest with relative Applications and Duty Sheets and that all items have been properly accounted for.”

10.—While the introduction of the various reforms outlined in this Circular will go far towards making our office procedure proof against collusion and fraud, I am not sanguine enough to imagine that we have closed every possible loophole for malpractice. We must not rest on our oars: constant vigilance is our only insurance against fresh schemes to defraud the revenue, and Commissioners and their staffs must at all times be watchful to detect weaknesses and suggest improvements in our system of control.

11.—Three months after the receipt of this Circular you are to submit a report setting forth briefly to what extent you have been able to put into effect the reforms prescribed, and, if you have been unable to carry out some of them in their entirety, explaining why you have been unable to do so, at the same time stating whether you are satisfied that your improved control protects revenue as much as is possible.

I am, etc.,

L. H. LAWFORD,

*Officiating Inspector General, ad interim.*

## CIRCULAR No. 4853 (SECOND SERIES).

**Re-export of foreign imports: coastwise shipment of: interpretation of ruling of Circular No. 4837 regarding duty treatment when particulars of importation are untraceable, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 18th May 1934.

SIR,

With reference to Circular No. 4837:\*

Re-export of foreign imports: 10-year time-limit for duty-free re-export of foreign imports, introduction of, notifying; duty treatment of foreign re-exports on expiry of 10-year limit:

it is necessary in the interests of the revenue to make clear that the ruling laid down in § 2 (2), by which foreign goods of which the particulars of importation are not traceable are on re-export to be treated as native and charged duty accordingly, irrespective of the time factor, applies only in cases in which there is every reason to believe that the goods acquitted their fiscal obligations on entry into China and the Customs are satisfied with the explanation advanced regarding the non-traceability of the particulars of importation. The ruling is not to be interpreted as meaning that interport duty is to be substituted for import duty in all cases of non-traceable goods. On the contrary, when foreign goods are re-exported coastwise and the Customs are not satisfied that import duty has been paid, the import duty involved must be collected. In such cases the Customs at port of shipment will continue to observe the instructions of Circular No. 4617 by stamping the Re-export Application "No Proof of Duty Payment: To Pay" (*vide* Circular No. 4617, No. 5 under *A. Foreign Goods*), so that full import duty may be collected at port of destination.

I am, etc.,

L. H. LAWFORD,  
*Officiating Inspector General, ad interim.*

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\* *Antea*, vol. v, p. 383.

## CIRCULAR No. 4887 (SECOND SERIES).

**Export Tariff: introduction of new Tariff on 21st June 1934, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 22nd June 1934.

SIR,

1.—With reference to Circular No. 4236:\*

Notifying, *inter alia*, the introduction of a new Export Tariff from 1st June 1931 for goods shipped abroad:

and to my circular telegram of the 18th June 1934:

Informing you that the Government had decided on the introduction of a revised Export Tariff to be enforced from 21st June this year; giving details of the changes to be effected; and instructing you to notify the public:

I have now to append, for your information and guidance, copy of Kuan-wu Shu despatch No. 13411, from which you will see that, in view of the depression in the export trade in most of the country's native products, the Shu recently submitted to the Government a list of goods on which they recommended there should be either a reduction of, or exemption from, export duty, and that the Government have now issued an order promulgating this revised Export Tariff and giving instructions that it is to be put into force as from 21st June 1934.

2.—To enable this new Tariff to be put into force at all ports on the day indicated, details of all the changes involved were telegraphed to all Officers in Charge, and at the same time a mimeographed copy of the official list of altered rates was sent to each port to serve as the authoritative text of appeal pending receipt of the complete printed Tariff. At all ports, therefore, the new rates become operative on 21st June, but in the case where a vessel has been given an export number, that is, a vessel for which export cargo may be accepted by port rules, all cargo for abroad for which Export Applications have been handed in at the Custom House before 4 p.m. on Wednesday, 20th June, are to pay old export duties and surtaxes.

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\* *Antea*, vol. iv, p. 467.

3.—It is to be noted that the changes now introduced are applicable only when the goods involved are exported abroad. The same goods when moved coastwise remain liable to the duties indicated in the present Interport Tariff. Goods on which interport duty has been paid and which the owner subsequently wishes to send abroad, if shipped abroad on or after 21st June this year and within one year of payment of interport duty, are entitled to refund of interport duty in full when such goods under the new Export Tariff are free for abroad, or for refund of the difference when the interport duty paid is higher than the new export duty. Goods under export contracts made prior to 21st June this year, if shipped abroad on or after 21st June, are to pay or be exempt according to the new Export Tariff.

4.—The revenue and the flood relief surtaxes on export duties remain unchanged, but such surtaxes are naturally not to be levied on goods now classed as exempt from export duty.

I am, etc.,

L. H. LAWFORD,

*Officiating Inspector General, ad interim.*

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## ENCLOSURE.

財政部關務署訓令則字第一三四一一號 中華民國二十三年六月十六日

令代理總稅務司羅福德

前以我國大宗出口貨品，年來多見衰落，經擬具減免出口稅表，呈請施行。茲奉

行政院令轉

國民政府訓令，修正海關出口稅則，業經明令公布等因，應即定期本年六月二十一日實行。除由部令行各關監督外，合行檢發修訂出口稅則項目表，令仰遵照辦理。此令。

附表

## CIRCULAR No. 4896 (SECOND SERIES).

Revised Import Tariff of 1934: instructions *in re*, conveying.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 2nd July 1934.

SIR,

1.—With reference to Circular No. 4159:

Conveying instructions regarding the enforcement on the  
1st January 1931 of the Revised Import Tariff of 1931:  
to Circular No. 4360:\*

Instructing, *inter alia*, that from the 1st August 1932 until  
further notice a flood relief surtax at the rate of  
5 per cent was to be levied on import and export  
duties, but that certain foreign imports, the Tariff  
numbers of which were given, were to be exempted:

to Circulars Nos. 4370 and 4404:

Communicating new Import Tariff rates applicable to  
sugar which were to be enforced from the 1st April  
1932:

to Circular No. 4461:†

Notifying that a 5 per cent revenue surtax on import and  
export duty was to be levied from the 1st August 1932  
to the 31st July 1933 on goods applied for between  
(and including) those dates, but that certain items in  
the Import Tariff were to be exempt:

to Circular No. 4462:

Communicating a list of certain revised Import Tariff rates  
which were to be enforced from the 4th August 1932:

to I.G. circular telegram of the 11th May 1933:

Instructing that from the 16th May 1933 flood relief and  
revenue surtaxes were to be levied on the items in  
the Import Tariff hitherto specially exempted:

to Circular No. 4629:

Conveying instructions regarding the enforcement of the  
Provisional Revised Import Tariff of 1933:

to Circular No. 4671:

Notifying special treatment for linen imported under  
bond solely for embroidery and hand manufactures:

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\* *Antea*. vol. iv. p. 647.

† *Antea*. vol. v. p. 55.

to Circular No. 4798:

Notifying the introduction of an import duty on rice, paddy, wheat, and other grains from the 16th December 1933:

to Circular No. 4806:

Notifying that from 15th March 1934 import duty was to be levied at half the rates notified in Circular No. 4798 on rice and paddy imported into Fukien province:

and to Circular No. 4824:

Notifying a change in the rates applicable to kerosene oil, liquid fuel, gasoline, etc., from 1st April 1934:

I have now to circulate, for your information and guidance, copy of Ts'ai-chêng Pu telegram of the 30th June 1934, from which you will see that the Executive Council have issued instructions that a revised Import Tariff is to be enforced immediately. This Tariff is to be known as the Revised Import Tariff of 1934. The Government have furthermore decided that the above Tariff is to be enforced independently by each port from the date on which it receives this Tariff.

I have therefore to instruct you to levy import duty at the revised rates on all foreign goods arriving in China on and after the date on which you receive this new Revised Import Tariff, mimeographed copies of which were forwarded with the advance copies of this Circular, and to issue a joint notification with the Superintendent immediately.

2.—In carrying out these instructions you are to be guided by the following regulations:—

- (a) The new Revised Tariff (1934) is applicable to all foreign imports arriving in China, whether by foreign-style vessels or by junks or through the post, on or after the date of receipt of the Tariff. No consideration is therefore to be given to bill of lading date.
- (b) Goods are to be considered as having arrived at a Chinese port the moment that the carrying vessel is consularly entered at the Customs, or, in the case of vessels which are not consularly represented, when the ship's papers are deposited with the Customs.
- (c) Transshipment cargo, having to be discharged from the importing vessel in order to be loaded on to the exporting vessel, is considered as having entered China at the port of transshipment. The Tariff

applicable will be determined by the date of entry of the importing vessel at the port where transshipment has been effected.

- (d) Through cargo, which remains on board a vessel and consequently on foreign territory until it is actually discharged, will pay at new Tariff rates if the vessel enters at the port of actual importation on or after the date of receipt of the Tariff.
- (e) Over-carried cargo, subsequently landed at the original port of destination as indicated in the bill of lading and ship's manifest, is to be considered as having arrived on the date of the original vessel's entry.
- (f) Short-shipped cargo is to be considered as having arrived on the date of actual arrival, no allowance being made for the delay caused by short-shipment at the port of provenance.
- (g) Cargo withdrawn from bond is to pay duty at the Tariff rate in force at the time of application to withdraw from bond for import, provided that the duty is paid within 15 days from the date of application, failing which, if the duty rates on the goods concerned have in the interim been increased, duty shall be levied at the new rates.
- (h) Foreign goods marked "To Pay" will be subject to the new Tariff unless the re-exporting vessel has cleared at the Chinese port prior to the date of receipt of the Tariff at the port of destination.

3.—The instructions in force regarding the flood relief and revenue surtaxes remain unchanged. In the case of foreign imports, therefore, arriving on or after the date of introduction of the new Tariff, collection of these surtaxes will be based on the duty levied at the new Revised Import Tariff rates.

4.—For statistical purposes the present Guide is to be followed until further notice.

5.—You are requested to report by despatch the date on which you put this new Tariff into force.

I am, etc.,

L. H. LAWFORD,  
*Officiating Inspector General, ad interim.*



ENCLOSURE.

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財政部電 中華民國二十三年六月三十日

羅代理總稅務司覽查海關進口稅則現經修訂並奉

國府明令公布應由海關即日施行除分電並另令檢發稅則外合行電仰遵照辦理部長孔卅印

## CIRCULAR No. 4906 (SECOND SERIES).

**Customs Wireless Service: inauguration of; procedure to be followed in connexion with, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 16th July 1934.

SIR,

1.—The difficulties experienced in obtaining satisfactory wireless service through certain of the existing commercial shore stations on the coast and the increasing importance of reliable means of wireless communication in relation to preventive work and Service matters generally created a need for some definite policy in the matter, which would ensure both that the Customs should not be handicapped in their activities by lack of communications and also that such wireless equipment as might be purchased in the future for Customs ships should be as far as possible standardised and of a type suitable to give satisfactory service wheresoever such ships might be. Accordingly, in the summer of 1932, the Inspector General convened a Wireless Conference, for the purpose of discussing the question in all its aspects and with a view to arranging a well-devised and co-ordinated scheme of communications for submission to the Government. As a result of this Conference, which was attended by the Shanghai Commissioner, a representative of the Preventive Secretariat, the Engineer-in-Chief, the Coast Inspector, and, in a technical advisory capacity, the Wireless Engineer, the following resolutions were adopted:—

Origin of  
Customs  
Wireless  
Service;  
formation;  
location of  
stations;  
particulars  
regarding  
equipment  
and staff.

- (a) A Customs Wireless Service to be instituted;
- (b) Telegraphy to be the general means of communication;
- (c) Certain specified wave-lengths to be allotted for Customs use only;
- (d) Key stations to be erected at Chefoo, Shanghai, Amoy, and Kowloon;
- (e) Intermediate stations to be erected at Swatow and Kiungchow;
- (f) Equipment of key stations to be of sufficient power to communicate with the key station on either side;
- (g) Equipment of intermediate stations to be of sufficient power to communicate with the station on either side;

- (h) Equipment of Customs preventive ships and of Customs lights tenders to be of certain specified power, and, in addition, such ships to be provided with sealed emergency sets of 100 miles range, so that S O S signals may be sent on the commercial wave-length of 600 metres when necessary;
- (i) Equipment of Customs launches to consist of telegraph sets of 80 miles guaranteed overseas range;
- (j) One skilled operator, two assistants, and one learner to be appointed for key stations;
- (k) One skilled operator and one assistant or learner to be appointed for intermediate stations;
- (l) One skilled operator to be appointed for each Customs preventive ship and each Customs lights tender, and additional skilled operators to be appointed to provide relief in cases of sickness, leave, etc.;
- (m) Supervisors to be appointed to key ports;
- (n) Local schemes, river signals, etc., to be arranged as required.

The scheme as outlined in the above resolutions was worked out in detail in the report submitted by the Conference, and the proposals set forth were submitted to, and duly approved by, the Government. Plans and specifications were thereupon drawn up, and after protracted delay, due for the most part to the meticulous attention which had to be paid to the mass of detail involved, the contract for the wireless installations at the six ports specified was finally awarded to Messrs. China Radio Service Corporation, Shanghai, China, the masts being imported from abroad. It is anticipated that all six stations should be functioning before the close of the current year, and the present Circular is intended as a guide to the general procedure to be followed in connexion with the scheme. The actual dates of opening of the stations will be notified later.

Adminis-  
tration of  
wireless  
shore  
stations.

2.—Except at Shanghai, where the wireless shore station will be administered by the Engineer-in-Chief, each station will form part of the ordinary port establishment and accordingly will be under the direct control of the port Commissioner, who will attend to all matters pertaining to staff, accounts, and the working of the station generally. In questions of a technical nature the Commissioners will, of course, be guided by the opinion of the Area Wireless Supervisor, who will be stationed at the key station

port—which, be it noted, is in all cases a main preventive base,—but who will also pay frequent visits to all installations under his supervision. The duties of Supervisors will be defined in this Circular later.

3.—In matters relating to the Wireless Service generally the Engineer-in-Chief will act in a capacity similar to that of the Coast Inspector in regard to marine affairs, that is to say, he will be the final technical authority and as such will require to be informed of all matters of importance pertaining to the Service. Copies of all despatches and other correspondence addressed to the Inspector General which have a bearing on such matters are to be forwarded to him, and port Commissioners or the Coast Inspector, although charged with the executive responsibility for the stations at their ports or on lights tenders based on Shanghai respectively, should turn to him for assistance and guidance in technical matters which cannot be attended to satisfactorily by the Area Supervisors. Further, appointments to the Wireless Staff will be made by the Engineer-in-Chief, and, in cases in which Inspectorate authority is necessary, recommendations for promotions and transfers of such staff will be submitted by him as provided for in a set of rules which will be found in Enclosure No. 1\* of this Circular.

Engineer-in-Chief: final technical authority in wireless matters; Wireless Staff, appointments of.

4.—The *personnel* of the various wireless establishments will be in accordance with the resolutions of the Wireless Conference, *vide* § 1, (j), (k), (l), and (m), of this Circular. The Wireless Supervisors, although stationed, and under the executive control of the Commissioners, at the key ports, will act as Supervisors of all wireless establishments both ashore and afloat throughout their respective areas, the limits of which will be identical with those defined for the main preventive areas in Circular No. 4742. Accordingly, they will be called upon to conduct frequent inspections of the installations under their supervision, and to report by memoranda, addressed to the Commissioners concerned, when matters either in regard to the installations themselves or in connexion with the efficient operation of the service generally require attention. When on duty in a district other than that of the key port, therefore, Supervisors should report on arrival to the Commissioner or other officer in charge and should for the time that they remain in the district be considered for all practical purposes as being attached temporarily to the port establishment. Commissioners or other officers in charge, however, are not to detain Supervisors unnecessarily, and, except on occasions of great urgency,

Wireless Service Staff: duties, etc.

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\* Not printed.

there is to be no interference with any instructions covering their movements and work which they may have received from the key port Commissioners or—in the case of Main Area No. 2—from the Engineer-in-Chief. When aboard a Customs ship, Supervisors must remember that it is necessary for the discipline of the ship that the Commander's authority be upheld. On boarding the ship, therefore, they are to report to the officer of the watch and sign the Wireless Message Log: they may enter in the latter such comments in regard to wireless matters or instructions to Operators as they consider appropriate. The general duties of Supervisors, who will be responsible for the efficient working of all wireless equipment throughout their areas, including the equipment on Customs ships which may be in the areas only temporarily, are as follows:—

- (1) Technical supervision of all stations, ashore and afloat, and of Operators;
- (2) Periodical inspection of all stations, ashore and afloat;
- (3) Maintenance of wireless stores;
- (4) Execution of running repairs to all equipment within their respective areas;
- (5) Investigation of all complaints relating to wireless communication;
- (6) Compilation of wireless returns and reports;
- (7) Instruction of Operators with a view to improving their standard;
- (8) Irregular interception of message transmission of stations within their areas—the results to be entered in a log;
- (9) Organisation of periodical wireless exercises, tests, etc.

Wireless Operators at shore and sea stations will be interchangeable as circumstances dictate. Permanent transfers of Wireless Staff will be recommended by the Engineer-in-Chief, but should sickness, emergency, or other local circumstances render temporary transfer of Operators advisable or should minor modifications in working routine be found desirable, such matters may be dealt with in areas other than the Shanghai area by the Commissioners at the key ports. Such movements or action, however, should be reported immediately to the Engineer-in-Chief for record.

A set of instructions for Wireless Operators, both ashore and afloat, will be found in Enclosure No. 2\* to this Circular, and copies thereof will be printed separately by the Statistical Secretary

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\* Not printed.

for distribution to all stations. In addition, a "Handbook for Wireless Telegraph Operators" is being compiled and will be issued in due course.

The object in the resolution of the Wireless Conference that learners should be appointed to the shore stations is to provide for ultimate expansion of the Wireless Service: their appointments will be governed by expediency, however, and when learners are appointed, they will occupy the positions of apprentices only and are not to be entrusted with the responsible work of stations.

5.—The service is for Customs purposes only, but with this restriction there is no limitation to the kind of official message, *i.e.*, general service, preventive, meteorological, etc., which may be transmitted through its agency, and such messages are to be transmitted accordingly. On no account is the Wireless Service to be used for transmission of private messages, and should requests be received at any time for the facilities of the service to be accorded to other official or semi-official organisations or to private individuals, they are to be informed that the service operates on a private wavelength only and cannot transmit to commercial or non-Customs stations, and, further, that the service having been authorised solely for the expedition of Customs work, it cannot be utilised for other purposes without special Government authority. In the case, however, of ships' officers having no other means of communication at sea, private messages in plain English may be received and transmitted after submission by the sender for counter-signature to the Commissioner or his representative or to the Commander, as the case may be. This privilege is extended to officers only for messages of real importance, and Commissioners or their representatives and Commanders are empowered to veto the sending of any message at their discretion.

Transmis-  
sion of  
messages:  
non-  
Customs  
messages  
not to be  
transmit-  
ted; modes  
of trans-  
mitting;  
rules  
governing  
messages.

Particulars of the six shore stations are as follows:—

*Chefoo Key Station.*—Call signal, XUH; direct communication with Shanghai, 24 hours service.

*Shanghai Key Station.*—Call signal, XUI; direct communication with Chefoo and Amoy; 24 hours service. Messages destined for Shanghai are to give the telegraphic address of the department for which they are intended, *i.e.*, Inspectorate General, Statistical Department, Shanghai Customs, Engineer-in-Chief, or Coast Inspector.

*Amoy Key Station.*—Call signal, XUJ; direct communication with Shanghai, Swatow, and Kowloon; 24 hours service.

*Swatow Subsidiary Station.*—Call signal, XUK; direct communication with Amoy and Kowloon; service hours, 6.00 to 22.00.

*Kowloon Key Station.*—Call signal, XUL; direct communication with Amoy, Swatow, and Kiungchow; 24 hours service.

*Kiungchow Subsidiary Station.*—Call signal, XUM; direct communication with Kowloon; service hours, 6.00 to 22.00.

The wireless watch on Customs preventive ships and lights tenders is continuous from 6.00 to 22.00 when a ship carries two Operators, and is during the periods of 7.00–8.00, 10.00–12.00, 14.00–16.00, 20.00–22.00 when there is only one Operator.

It will be clear from the above that messages may be communicated through the shore stations either direct or by means of relay between any of the six ports specified. Extension of the service to other ports will be possible at times by transmitting through preventive ships and lights tenders, which can communicate with Customs shore stations, and also by sending messages by commercial service or by letter to the Commissioner at a shore station port for transmission to destination. The first course, however, is to be followed only in cases of urgency, and, until experience has demonstrated that the efficiency of shore stations would not be impaired by the additional work involved, the second alternative is to be adopted only when communications are otherwise difficult to establish.

Messages are to be handed in at, and delivered by, stations on the Customs Wireless Service message forms [*H.*—11, 11*a*, 12, and 12*a*]. These forms will be supplied in blocks of 100 forms each on requisition to the Statistical Secretary.

Messages to be sent in code are to be handed in to the stations ready for transmission, and incoming messages in code are to be delivered by the stations as received. In no circumstances are Operators or other members of the wireless station staff to have access to the telegraphic codes, which, when not in use, are to be kept under lock and key by Commissioners or their representatives and by officers in charge of ships or their seconds-in-command. A set of rules to govern the procedure to be followed in regard to the preparation, transmission, receipt, delivery, and recording of messages forms the subject of Enclosure No. 3\* to this Circular, and copies of these rules will be printed by the Statistical Secretary for distribution.

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\* Not printed.

6.—Wireless stores, which will be supplied to the key port Commissioners through or by arrangement with the Engineer-in-Chief, will be maintained by the Area Supervisors, who will be responsible for, and keep an inventory of, the store establishment of all stations within their areas. Stations both ashore and afloat, other than key stations, which require stores will indent on the Area Supervisors, such indents being transmitted through the port Commissioners and the key port Commissioners or the Engineer-in-Chief, as the case may be. Each station will also keep a wireless stores inventory, in which full particulars of all stores received and consumed are to be recorded.

Wireless stores: issue, distribution, and recording.

7.—Each station, both ashore and afloat, is to keep three log books: the Operator's Log, the Message Log, and the Exercise Log. The Operator's Log is a working log in which not only messages transmitted and addressed to the stations are entered, but also full particulars of all calls, messages, and communications not addressed to the station but heard during the watch-keeping periods. The Message Log is entered up later from the Operator's Log and gives particulars of messages, but not the text of such messages, transmitted by and actually addressed to the station: provision is also made in this log for recording interference, whether atmospherical or from neighbouring stations. The Exercise Log is solely for logging practice exercises; it takes the place of the Operator's Log during exercise periods. Instructions regarding the keeping of logs will be found inside the cover of the log books, which are being printed at the Statistical Department and will be distributed through the Engineer-in-Chief, on whom requisitions should be made for further supplies when required.

Wireless logs to be kept.

8.—The following reports and returns are to be compiled by the Area Supervisors and forwarded, through the key port Commissioners, except in the case of the Shanghai area where they will be transmitted direct, to the Engineer-in-Chief:—

Reports, returns, etc.

#### MONTHLY.

(1) *Monthly Report of Failures and Irregularities (form [H.—31]).*—This report shall set forth (a) full details of breakdowns; (b) results of investigations of breakdowns; (c) action taken to prevent a recurrence. It is to be forwarded not later than the 15th of the month following that for which it is compiled.

(2) *Monthly Traffic Report (form [H.—32]).*—This return shall give (a) total number of messages and groups received as traffic; (b) total number of messages and groups



transmitted as traffic; (c) total number of hours spent in exercises. In order to assist the Area Supervisors in the preparation of this return, it will be necessary for the senior Operator at each station, both ashore and afloat, to supply the Area Supervisors, through the Commissioners concerned, with the statistics for his station. The return is to be forwarded not later than the 20th of the month following that for which it is compiled.

#### HALF-YEARLY.

*Return of Wireless Stores.*—This return shall give full particulars and quantities of wireless stores (a) in stock at the beginning of the half-year; (b) consumed during the half-year, with details of consumption by each station; (c) in stock at the end of the half-year. It is to be forwarded not later than 31st January and 31st July respectively.

*Pro forma* of the forms to be used for the Monthly Report of Failures and Irregularities and for the Monthly Traffic Report will be found in Enclosure No. 4\* of this Circular, and these forms will be supplied by the Statistical Secretary against requisition. For the time being and until experience has indicated the most suitable type of form for general adoption, the half-yearly Return of Wireless Stores is to be rendered on ordinary foolscap paper.

9.—In conclusion, it is to be anticipated that difficulties may arise in connexion with the scheme which are not covered by the instructions of this Circular, but experience will show the shortcomings of the procedure now notified and the places in which it calls for modification and amendment. I am confident that all concerned will exert themselves to promote efficiency and ensure the smooth running of the Wireless Service generally, so that the inauguration and operation of this new branch of Customs activities may be classed equally with our other successful achievements.

I am, etc.,

L. H. LAWFORD,  
*Officiating Inspector General, ad interim.*

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\* Not printed.

## CIRCULAR No. 4913 (SECOND SERIES).

**Preventive Law: promulgation of, on 19th June 1934; historical sketch of treaty preventive law in China since 1843.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *4th August 1934.*

SIR,

1.—I append, for your information and guidance, copy of Kuan-wu Shu despatch No. 13603,\* giving cover to a Customs Preventive Law, which was duly promulgated on 19th June this year and which is to be made effective forthwith. An English version of the Law is also appended.\*

2.—For centuries China has been a happy hunting ground for smugglers of all nationalities. Up to the restoration of tariff autonomy in 1928 and the introduction of the Import Tariff of February 1929, it is true that the inducement to smuggling, so far as imports from abroad are concerned, was not so much the evasion of duty, as duties were not repressive, but the getting in of contraband goods such as arms, opium, and narcotics. As all the world knows, it was, in fact, the contraband trade in opium which played so large a part in bringing on the war of 1839–42, by which the first five treaty ports were opened to foreign trade. In spite of Imperial Edicts absolutely forbidding the importation of the drug, and in spite of the fact that since the middle of the eighteenth century up to the signing of the Treaty of Nanking foreign trade was permitted at Canton alone, lawless traders, who in many cases were more buccaneers than merchants, pushed right up the coast of China, carrying on wherever the conditions were favourable an active smuggling trade, mostly in opium and munitions, but also to some extent in foreign piece goods and sundries.

3.—This contraband trade in opium was not dealt with by the Treaties of Nanking and Hoomunchai, but Sir Henry Pottinger, the British Plenipotentiary, made it unmistakably clear by proclamation that the trade remained illegal according to the laws of China and that any British merchant engaging in that trade in China would receive no protection in that respect from the British Government.† On smuggling of legitimate articles of trade he was

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\* Not printed.

† "The Chinese Repository," vol. xii, 1843, p. 446; *postea*, vol. vi, p. 6.

no less explicit. On this subject he issued two proclamations, one on 15th April 1843 and the other on 22nd July of the same year, when announcing the conclusion of the Treaty of Hoomunchai. In the former he deprecates "the shameless and disreputable system of wholesale smuggling—a system which, were it overlooked and permitted, would not only speedily sap and destroy the existing foundation of all legal traffic, but would render absolutely nugatory every exertion and arrangement that may be made, or may be attempted to be made, to put such legal traffic on a firm, regular, and respectable footing." \* He then adds that the Chinese Authorities can count on his assistance within the terms of the treaty in stamping out this illegal trade, and that smugglers and their vessels would not receive protection in the harbour of Hongkong. In the second proclamation, after announcing the conclusion of the treaty and appealing to all British merchants to abide by the provisions of this treaty, he proceeds to intimate "that he is determined by every means at his disposal to see the provisions of the commercial treaty fulfilled by all who choose to engage in future in commerce with China; and that in any case where he may receive well-grounded representations from Her Majesty's Consuls, or from the Chinese Authorities, that such provisions of the commercial treaty have been evaded (or have been attempted to be so), he will adopt most stringent and decided measures against the offending parties; and where his present powers may not fully authorise and sanction such measures as may seem to him fitting, he will respectfully trust that the legislature of Great Britain will hold him indemnified for adopting them in an emergency directly compromising the national honour, dignity, and good faith in the estimation of the Government of China, and in the eyes of all other nations."† The Treaties of Nanking and of Hoomunchai bring out very clearly the existence of this smuggling trade and lay down some of the preventive measures that were to be put into force for its suppression. Much to the chagrin of some of the British merchants these preventive measures were not to be taken by the Chinese Authorities alone. By Article 2 of the Treaty of Nanking ‡—an article which has no parallel in either the American Treaty of

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\* "The Chinese Repository," vol. xii, 1843, p. 224; *postea*, vol. vi, p. 5.

† "The Chinese Repository," vol. xii, 1843, p. 391, "The Times," London, No. 18423, 10th October 1843, p. 5, col. 5. The editor of "The Times," commenting on this proclamation in a leader, states: "He [Sir Henry Pottinger] will act boldly according to circumstances, and take his chance of an indemnity afterwards. And, among the rough-dealing gentry who surround him, he is right. A strong hand still is, as it always has been, necessary to restrain the wild and lawless spirit which British commerce has contracted in those quarters." "The Times," 10th October 1843, p. 4, col. 1.

‡ "Treaties, Conventions, etc.," *op. cit.*, vol. i, p. 352.

Wanghea or the French Treaty of Whampoa—and by Regulation 15 of the General Regulations of Trade forming part of the Supplementary Treaty of Hoomunchai,\* British Consuls had placed upon them the duty of seeing “that the just duties and other dues of the Chinese Government . . . are duly discharged by Her Britannic Majesty’s subjects,” and of acting as “security for all British merchant ships entering any of the aforesaid five ports.” That a wide interpretation was put upon this duty and that it was meant to be taken seriously is evident from the instructions given by the British Plenipotentiary in July 1843 to Mr. G. Tradescant Lay when appointing him as Consul to Canton. On that occasion Sir Henry Pottinger wrote: “Should you obtain positive and incontrovertible proof that any British merchant ship on the river has been, or is, engaged in smuggling, or evading the payment of the just dues of the Chinese Government as laid down in the tariff and regulations of trade, you will take immediate measures for intimating the same to the Chinese high officers of Customs, in order that they may, if they think proper, put a stop to such vessel either landing or shipping further cargo, as the case may be; and you will likewise apprise the master, owner, or consignee of such ship of the steps you have taken, and will acquaint them that any attempt to carry on their smuggling practices, or to trade in any shape, by force, in opposition to the wishes and directions of the Chinese Authorities, will oblige me to have such ship removed from the river.”† Similar instructions, *mutatis mutandis*, were issued to the Consuls appointed to the other four treaty ports.

4.—Aside from this direct Consular intervention of the British Consuls to see that their subjects paid their just dues and duties, and apart from the special stipulations in the Treaty of Hoomunchai to control the trade carried by Chinese junks between Hongkong and the ports, the preventive measures sanctioned by the early treaties may be summarised as follows:—

- (1) China to depute one or two trusty Customs officers to every vessel on entry at a port to watch against frauds on the revenue. (Br. Gen. Reg., 2; Am. Wg., 9.)
- (2) Captain of vessel, within 24 hours of arrival, to deposit ship’s papers with his Consul. Penalty for non-observance imposable by Consul on China’s behalf: \$200. (Br. Gen. Reg., 3; Br. Hoomun., 3; Am.

\* “Treaties, Conventions, etc.,” *op. cit.*, vol. i, p. 389.

† “The Chinese Repository,” vol. xii, 1843, p. 393. J. R. Morrison: “A Chinese Commercial Guide” (3rd Edition), Canton, 1848, p. 309.

Wg., 10 (48 hours; no fine); Fr. Whp., 13 (48 hours; penalty, fine of \$50 for each day's delay up to a maximum of \$200).)

- (3) Captain to present manifest. Penalty for false manifest imposable by Consul on China's behalf: \$500. (Br. Gen. Reg., 3; Br. Hoomun., 3; Am. Wg., 10 (no fine).)
- (4) Captain or consignee of vessel to obtain from Customs General Permit to Discharge. Penalty for breaking bulk before obtaining permission imposable by Consul on China's behalf: \$500 and confiscation of goods so discharged. (Br. Gen. Reg., 3; Br. Hoomun., 3; Am. Wg., 10; Fr. Whp., 13.)
- (5) No transhipment of goods without permission. Penalty for goods illicitly transhipped: confiscation. (Br. Gen. Reg., 11; Am. Wg., 14; Fr. Whp., 20.)
- (6) Vessels not permitted to trade at places not opened by treaty. Penalty for violation of this rule: confiscation of both vessel and cargo. (Br. Hoomun., 4; Am. Wg., 3 (American offender also liable to be dealt with by law of China, Wg., 33); Fr. Whp., 2 (cargo only confiscable).)
- (7) Smuggling at treaty ports. Penalty: confiscation of goods; prohibition of vessel concerned from further trading. (Br. Hoomun., 12; Fr. Whp., 8.)
- (8) Fraud in connexion with duty-paid imports re-exported from one treaty port to another. Penalty: confiscation of goods. (Am. Wg., 20; Fr. Whp., 17.)
- (9) Trading in contraband. Penalty: offender to be dealt with according to law of China. (Am. Wg., 33.)

5.—It must not be supposed that this treaty preventive law, if it may be dignified by such a title, was called into existence because there was a lack of such law in China at the time. There was in fact no such lack. In the first place, at every Custom House on the coast and on the interior waterways, which had been in existence for centuries before the coming of the modern foreign trader, there had gradually grown up a body of regulations, prohibitions, penalties, etc., to meet local conditions and requirements, some of them based on Imperial Edicts, or instructions from the Hu Pu or the Kung Pu, or orders from the higher provincial authorities, but most of them embodying the decisions given by the local Taotai or

Superintendent of Customs. This was, and claimed to be nothing more than, case law applicable as a rule only within the jurisdictional area of the authority issuing the proclamation. But in the second place, in addition to this local Customs law, there was the law of the land, promulgated by the Central Government and applicable throughout the length and breadth of the Empire. At the time of the signing of the early treaties, the national law in force was the revised and enlarged version of that originally issued by the Emperor Shun Chih in the third year of his reign, 1647, and known as the Ta Ch'ing Lü Li (大清律例) or Penal Code of the Ch'ing Dynasty. In this Code the whole of Book V, in the third division of the work which deals with fiscal laws, is devoted to the subject of duties and Customs. Of the eight sections composing Book V, three deal with the subject of salt, the measures to be taken for the prevention of clandestine trading in that article, and the punishments to be meted out to those who violate the law by unauthorised manufacture, transport, or sale of salt. Another section deals with the clandestine sale of tea, and yet another with the illicit manufacture and sale of alum. Then follows a section on the evasion of Customs duties or smuggling in general, and here we find that offenders could be punished with 50 blows of the bamboo and forfeiture of half the value of the goods smuggled, three-tenths of such forfeiture being given as a reward to the informer, but no reward being issuable to the Customs officer if the seizure were effected by him when on regular duty. As a comment on this, it may be noted that punishments for offences against the revenue were often in reality much heavier than those actually cited in the Code. Fines of one hundred times the duty were not unknown, while confiscation and destruction of a confirmed smuggler's vessel was also not unknown. The next section enjoins upon owners and masters of merchant vessels the necessity of presenting at the Customs a full and true manifest of all the goods on board so that the duties payable thereon may be assessed. Should a merchant fail to send in a manifest or should he send in a false or defective one, he was to be punished with a hundred blows of the bamboo and the forfeiture of all the goods not reported. The receiver of non-reported goods was likewise to be punished, presumably by the bastinado. The reward to an informant in the case of a false manifest was *Tls.* 20. The final section of Book V deals with arrears of duties, all of which had to be made good within the year in which they were due. Defaulters were to be punished by blows of the bamboo, from a minimum of 40 to a maximum of 80, according to the extent of the default. The Superintendents of defaulting Custom Houses were also to be punished, and in their

case the number of blows ran from 50 to 100. Customs Clerks found guilty of rendering false accounts were to be punished according to the law governing the embezzlement of public funds.\*

6.—It was the inclusion of the extraterritoriality clauses in the early treaties which ruled out the applicability to foreign vessels and foreign traders enjoying this extraterritorial status of the provisions of China's preventive law as found in the Ta Ch'ing Lü Li and in the regulations and procedure in force at the various Custom Houses. It was the existence, too, of these extraterritoriality clauses which made it necessary to include in the treaties those provisions which we have designated as the treaty preventive law. If foreign traders and their vessels were to be removed from Chinese jurisdiction, common sense and justice demanded that, unless the trade they carried on were to become utterly lawless, special arrangements were necessary by which that trade should be controlled. The truth of this soon became evident. The signing of the treaties did not put an end to smuggling. On the contrary, during the period 1843 to 1854, that is from the signing of the treaties to the establishing of the system of foreign Inspectors of Customs at Shanghai, clandestine trading generally and the running of opium in particular flourished like a green bay tree. Hongkong, a free trade depot, became a smugglers' paradise. There large quantities of general merchandise as well as of opium could be stored with practically no official supervision, and could be shipped from there, also without supervision, whithersoever the traders pleased. Although, up to 1866, the carriage of opium in Chinese junks was absolutely forbidden by the Chinese Authorities, and although the Hongkong Government was aware of this prohibition, yet fleets of well-armed, well-manned native craft used to sail out from Hongkong without let or hindrance and carry their cargoes of opium with impunity to any port they pleased. Outside every treaty port, and also at some places which had not been opened by treaty, there were receiving ships or hulks, and here—with the connivance of the Chinese local authorities—opium was stored and sold to Chinese traders. As it was contraband, there was no duty recognised by the Central Government on the drug, but at every port there was a *sub rosa* charge levied by the local officials, the amount of which varied with the time and the place. Smuggling in general merchandise was also rampant. In spite of the fact that the tariff rates were now known to all, and in spite of the fact that

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\* For English translation of this Penal Code, *vide* Sir G. T. Staunton: "Ta Tsing Leu Lee; being the Fundamental Laws, and a Selection from the Supplementary Statutes of the Penal Code of China, etc., etc.," London, 1810.

those rates were admittedly most moderate in character, evasion of duty payment at every possible opportunity was widespread among both Chinese and foreign merchants. The Customs officials, too, connived at these malpractices and benefited by them by acting in collusion with dishonest traders to defraud the revenue.\* This was true of all the treaty ports, but especially so of Shanghai, which was crowded with "a most ungovernable collection of abandoned adventurers"† of all nations, many of them the backwash from the California gold rush, drawn to China by the hope of gain, which they intended to make out of the disturbed political and lawless trade conditions then prevailing. Successful smuggling on so extensive a scale as then prevailed not only robbed the revenue, but inevitably brought down market prices for goods of the same nature as those smuggled in, and tended to raise the price of goods of the class smuggled out, thus penalising honest traders who found themselves obliged either to practise dishonesty themselves or go out of business. Small wonder then that "foreign merchants in direct Custom House relations with Chinese Authorities, all more or less venal and corrupt, launched into a wholesale system of smuggling and fraudulent devices for the evasion of duties. Chinese laws and treaty stipulations were alike disregarded, sometimes by one party with forcible infractions of port regulations, oftener by bribery and collusion between the native authorities and the foreigners. The Imperial revenue was defrauded by both, and foreign trade was demoralised and converted into a game of hazard and overreaching."‡ The treaty preventive law and the treaty system of controlling foreign trade were obviously breaking down. The Taiping Rebellion and the seizure of Shanghai by a band of rebels belonging to the San-ho-hui (三合會), with the consequent looting of the Custom House, gave that system the *coup de grâce* and led eventually, as all the world knows, to the agreement between the Taotai and the Consuls of Great Britain, the United States of America, and France by which the Custom House was reorganised and placed under the supervision of three foreign Inspectors in 1854.§ From that date, although smuggling still continued, things began to improve and had improved so much by 1858, when Lord Elgin was ready to sign the Treaty of Tientsin,

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\* B.P.P.: "Further Papers relating to the Rebellion in China" (1863), p. 174.

† B.P.P.: "Memorials . . . to the British Minister on . . . Revision of the Treaty of Tientsin" (1868), p. 31.

‡ B.P.P.: "Correspondence relative to the Earl of Elgin's Special Missions to China and Japan, 1857-1859," p. 56.

§ I.G. Cir. No. 25 of 1869, *antea*, vol. i, pp. 147-158. For more detailed account, *vide* Wright: "China's Struggle for Tariff Autonomy," chap. ii.



that it was decided that the foreign Inspectorship system, which had been such a success at Shanghai, should be extended to all the treaty ports.

7.—The Treaties of Tientsin in the main confirmed the preventive measures authorised by the earlier treaties, but to emphasise the fact that the era of active Consular intervention for the enforcement of these measures was past, the British Treaty contains the stipulation (Article 46) that “the Chinese Authorities at each port shall adopt the means they may judge most proper to prevent the revenue suffering from fraud or smuggling.” The new system of Customs Inspectorship was duly instituted at all of the open ports, and thanks both to the Chinese officials who supported it and to the high quality of the *personnel* made use of, the Maritime Custom House at each port came gradually to be recognised not only as standing for efficiency and honesty, but also as a court which, within the limits imposed on it, could be relied on in revenue matters to administer and exact justice. The attainment of this recognition was not at first an easy matter. The right of the foreign Customs officials, in the employ of the Chinese Government, to punish offences against the revenue by fine or confiscation was one that was fiercely contested by the foreign merchants and questioned by many of the Consuls. To the merchant it seemed that the treaty-acquired privilege of extraterritoriality protected him from the imposition of penalties for revenue offences at the hands of Customs officials, more especially as those officials were foreigners and, therefore, themselves subject to Consular jurisdiction. The Hongkong Chamber of Commerce, for instance, was firmly of opinion (1) “that the Custom House should be deprived of the power of confiscation on its own authority, and that no penalty for breach of revenue laws, whether by confiscation or fine, should be inflicted upon British subjects except by a Consul after a fair and open trial,” and (2) that in the case of foreigners employed in the Customs “their official character, and the circumstances of their proceedings being done in the name of the Chinese Superintendent of Customs, should not shield them from being amenable to a Consular or other foreign court for damages at the instance of any suitor who may prosecute them for injury sustained, when in the judgment of the Court they exceed their legitimate powers.”\* Mr. H. N. Lay, in whose time this issue was first raised, was determined that it should not be left in doubt. With his experience, both of the British Consular and of the Chinese Customs Services,

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\* B.P.P.: “Further Papers relating to the Rebellion in China” (1863), p. 162.

he realised better than most others how productive it would be of conflicts, complaints, and misunderstandings to leave unsettled the questions (a) of the nature and scope of the punitive power of the Customs in view of treaty limitations, and (b) of the liability of foreigners employed in that Service for acts done in their official capacity. Accordingly in the early months of 1862, while still on leave in England, he obtained the opinion of some of the leading lawyers in England\* on the following six queries:—

- “(1) Whether under the British Treaties of Nanking or Tientsin (having regard to the Queen’s Order in Council of 13th June 1853) it is obligatory on the Chinese Authorities to refer Customs cases of fine and confiscation, where these affect a British subject, to a British Consular Court for adjudication.
- “(2) Whether the right of ‘adjudication’ in such cases does not rest with the Chinese Authorities alone, subject only to the political and not judicial intervention of the British Authorities.
- “(3) Whether the Chinese Authorities can refuse the Port Clearance mentioned in the 41st Article of the British Treaty of Tientsin until the treaty fines and confiscations shall have been paid or given up to them.
- “(4) Whether, although not obligatory on the Chinese Authorities, it is not allowable for them to resort as complainants to the British Consular Courts in cases of fraud and confiscation and to call upon the Consul (under the 2nd Article of the Nanking Treaty and the Queen’s Order in Council) to see that the just duties, etc., of the Chinese Government are duly discharged by British subjects, and for that purpose to issue search warrants, etc.
- “(5) Whether a British subject is amenable to a British Court or Tribunal for acts done by him as a Chinese Customs officer, provided such acts be not disavowed by the Chinese Government.

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\* The lawyers consulted were: Sir Fitzroy Kelly, Solicitor General, 1852, Attorney General, 1858, Chief Baron of the Court of Exchequer; Sir W. Atherton, Solicitor General, 1859, Attorney General, 1861; James Hannen, Judge of the Court of Queen’s Bench; George Wingrove Cooke, Tithe, Copyhold, and Inclosure Commissioner; and James Stephen, Registrar of the Court of Bankruptcy at Leeds, and author of “Stephen’s New Commentaries on the Laws of England.”

“(6) Whether, if a British vessel should have on board articles of contraband or merchandise that has not been entered in her manifest and which is consequently confiscable (see the 37th and 48th Articles of the Tientsin Treaty), the Chinese Authorities can without a warrant from the British Consul seize such articles of contraband or merchandise while still actually on board the vessel and under the British flag, or whether they must in the first instance obtain the Consul’s warrant for such seizure.” \*

In summarised form the replies given to these queries were—

- (1) That the Chinese Authorities alone had the right of adjudication in cases of confiscation; but that in cases of fine, such punishment being against the person, enforcement could not be effected except before the Consul;
- (2) That if the Chinese Authorities exercised this power of confiscation unjustly, redress could be sought only by diplomatic proceedings;
- (3) That the Chinese Government, to enforce payment of a fine, could not refuse clearance of a vessel after all treaty dues and duties had been paid, but that they could refuse such clearance in cases where an offence had been committed entailing penalty of confiscation;
- (4) That the Chinese Authorities might, if they saw fit, in cases having reference to fine or confiscation or to dues and duties secured to China by treaty, resort as complainants to British Consular Courts, and in such cases these Courts are auxiliary tribunals to the Chinese Courts;
- (5) “That in the event of any proceedings being taken in a British Court against a British subject in the employment of the Chinese Government as a Customs officer, it will be a conclusive answer to such proceedings that the act complained of was done by the defendant within Chinese jurisdiction, in pursuance of his authority as a Chinese Customs officer”; and
- (6) That confiscable goods on board a British steamer in Chinese waters may be seized by the Chinese Authorities without a warrant from the British Consul.

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\* I.G. Cir. No. 28 of 1870, *antea*, vol. i, pp. 241–250.

These opinions were communicated by the Inspector General to the British Minister, who endorsed them, enjoined the Consul at Shanghai to be guided by the principles therein laid down,\* and cited them on several occasions in despatches to Earl Russell in connexion with cases at issue between the Chinese Customs and various British merchants.† The Minister not only concurred with the opinions referred to, but also contended that the Supreme Court of Hongkong had overstepped their province in directing British Consuls in China to try cases arising between British merchants and British subjects in the employ of the Chinese Customs, as it had done in the case of *Bowman v. Fitzroy*.‡ Earl Russell, after consulting the Law Officers of the Crown, was able to inform the Minister that the British Government fully concurred with his views.§

8.—This verdict was decisive on the correct interpretation of the treaty clauses in question, but, like the treaties themselves, it contained no suggestion for the provision of a court of inquiry in which charges of breach of regulations could be tried in public and there established or disproved. The Shanghai Chamber of Commerce had already suggested the formation of such a court.|| The Inspector General, too, was convinced that the creation of a court of joint investigation, in which charges should be openly made, evidence sifted, and judgment given after a full and public hearing in a fair and open court, would go far to allay complaints that a full and impartial hearing was denied to the accused, that Customs action in these matters was capricious, arbitrary, and afraid of facing the light, and that settlement of cases by a mere interchange of despatches was not a satisfactory way of discovering facts and doing justice. This conviction was shared by the various foreign Ministers then at Peking, who signified their approval when, in 1864, the Inspector General induced the Chinese Authorities at Shanghai to try as an experiment a system of joint investigation in all cases involving confiscation, leaving cases involving fine to the jurisdiction of the Consular Court.¶ Three years later, 1867, the Tsungli Yamên approved the extension to all the open ports of the

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\* B.P.P.: China No. 3 (1864), "Papers relating to the Affairs of China," pp. 12, 73.

† *Ibid.*, pp. 12, 17, 31.

‡ B.P.P.: China No. 3, 1864, Bruce to Russell, 23rd December 1862, p. 32.

§ *Ibid.*, pp. 71, 80, 94.

|| B.P.P.: "Further Papers relating to the Rebellion in China" (1863), p. 169.

¶ I.G. Cir. No. 19 of 1868, *antea*, vol. i, pp. 104–119; U.S.A. Foreign Relations (1864), vol. iii, p. 147; Customs Papers, Office Series, No. 17, "Joint Investigation in Customs Cases" (1882).

four rules drawn up for trial at Shanghai. The British and the United States Ministers, to whom the Yamên had communicated the rules, saw the opportunity and proposed that additions should be made to the original four rules so as to provide for joint investigation also in the case of fines. The Tsungli Yamên welcomed this proposal, as it evidenced a desire on the part of the foreign authorities to extend to the Chinese Authorities in the case of fines what the latter by the four rules had already granted to foreigners in the case of confiscations, namely, the advantage, if the complainant so desired, of having each case tried on its merits in open court. The original rules were accordingly revised and enlarged in scope, so that by June 1868 the Inspector General was able to communicate to the ports a set of eight rules for joint investigation in cases of confiscation and fine by the Custom House authorities.\* In cases of confiscation these rules provided that the Commissioner, besides informing the Superintendent, was to notify the merchant concerned, who, if he desired to dispute the Commissioner's decision, could through his Consul call for a court of joint investigation, which court was to be summoned by the Superintendent and be held at the Custom House, and at which the Consul was to have a seat on the bench along with the Superintendent and the Commissioner. If, after investigation, the court decided that confiscation was justified, the merchant had no appeal; but if the Consul dissented, the merchant was at liberty to appeal, in which event the case was to be referred by the Consul to his Minister and by the Superintendent to the Tsungli Yamên. Pending the decision of the superior authorities, the property attached might be released on bond. Should there be a difference of opinion regarding the value of the attached goods to be entered on such a bond, the valuation declared by the owner was to be taken as decisive, and the Customs authorities were to be given the option of taking over the vessel or the goods at that valuation. When the irregularity committed was one involving a fine, it rested with the Commissioner to take the initiative in calling for a court of investigation, which was to be summoned by the Consul and held at the Consulate, and at which the Commissioner, or his deputy, was to have a seat on the bench along with the Consul. On conviction, the Consul was to declare judgment, and the merchant had no appeal; but the Superintendent and the Commissioner were free, if they thought fit, to mitigate the sentence in cases where the treaty or the regulations gave the Consul no option but to impose a fine of a specific amount. In the event of a difference of opinion between

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\* I.G. Cir. No. 19 of 1868, *antea*, vol. i, pp. 104-119.

the Consul and the Commissioner, the latter was to inform the Superintendent, and the matter, as in the case of a confiscation, was to be referred for decision to the higher authorities at Peking. Provision was also made for the settlement of differences of opinion between a Consul and the Customs authorities when the matter at issue was whether certain duties should or should not be levied, the procedure in such cases being for the merchant to give the Customs a bond, duly sealed by the Consul, for the amount of duty in question, pending decision of the case by the higher authorities at Peking. Finally, in order to expedite the transaction of business, provision was made by which Consul and Commissioner could in the first instance transact business direct, either personally or in writing, without being obliged at every step to communicate with each other through the Superintendent. The introduction of these rules making provision for public trial in cases of revenue offences removed the objection to the payment of seizure rewards to the officers making the seizure. From this time, too, dates the quarterly publication of the *Précis of Fines and Confiscations*, which from 1869 to 1910 formed a regular part of the Customs Gazette,\* although Monthly Reports of Fines and Confiscations from all ports giving details of each case, for submission to the Government, had been in force since the beginning of 1862.† The success of these Joint Investigation Rules is not to be measured by the consideration that during the 60 odd years of their existence they were comparatively seldom called into play,‡ but rather by the fact that they have acted as a restraining and preventive influence. By strengthening the hands of the Customs authorities they proved an effective warning to those who before their existence made no scruple of resorting to illegalities. At the same time, by defining a course of procedure controlling the action of the authorities at the ports, whether in defence of China's revenue or of foreign trading interests, they were widely effective in creating an atmosphere of consideration and in making in numberless cases counsels of moderation to prevail before matters had reached a stage where joint investigation would become necessary. As time went on, the development of trade became such that the rigid enforcement of treaty stipulations was likely to become a serious restriction on that development. The merchant's and shipowner's necessity became China's opportunity, and the Government, through the Customs,

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\* I.G. Cir. No. 19 of 1868, *antea*, vol. i, pp. 104-119; Statistical Secretary's Printed Note No. 379.

† I.G. Cir. No. 1 of 1863, *antea*, vol. i, p. 19.

‡ Customs Papers: Office Series, No. 17, "Joint Investigation in Customs Cases" (1882); I.G. Cir. Nos. 203, 268, 283, and 290.

were able to secure a hold on merchants and steamship agents by granting or withholding extra-treaty privileges, such as the allowing of a vessel to be cleared before all import duties due have been discharged, or the discharging of cargo on Sundays or holidays or after working hours. A hold of this sort has proved, as a rule, a much more effective argument than an appeal to a court of joint investigation, and foreign firms have again and again preferred to pay a fine—without any reference to the Consul—rather than have an extra-treaty privilege cancelled. With the rise of the National Government, the restoration of tariff autonomy, and the growing impatience with outside interference in Customs affairs, it was evident that the day of joint investigation courts was doomed. It occasioned no surprise, therefore, when in August 1932 the Kuan-wu Shu, in reply to an inquiry from the American Legation, gave the decision that the Joint Investigation Rules of 1868 are no longer in force.\*

9.—The restoration of tariff autonomy and the consequent enforcement on 1st February 1929† of a new Import Tariff with greatly increased rates of duty resulted inevitably in widespread and well-organised smuggling on a large scale. Just as in the early treaty days this increase in clandestine trading was especially marked in South China, with Hongkong, Macao, and Kwangchowwan as smugglers' headquarters. The Chinese littoral opposite Formosa soon became infested with small strongly built motor-boats, manned by a particularly truculent type of smuggler, all engaged in the profitable game of running such highly taxed articles as sugar, kerosene oil, piece goods, sea products, and so forth, from Formosan ports to scores of small towns and villages scattered along the island-studded coast of Fukien. In the North the Shantung Promontory became the happy hunting ground for similar boats operating from Dairen. To deal with this situation, a situation which developed with startling rapidity, for the proper handling of which no time had been given in advance in which to make ready preventive measures, the Customs mobilised the forces they had, centralised those in the South under the Kowloon Commissioner so as to secure the maximum striking efficiency, and promptly, with the hearty encouragement of the Government, set about building a fleet of preventive vessels to be manned by crews of specially selected and specially trained officers. The question of an agreement with Hongkong was revived, and although nothing has come as yet of these negotiations, there has been a decided growth in under-

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\* I.G. Cir. No. 4468, *antea*, vol. i, p. 111 (footnote).

† I.G. Cir. No. 3854, *antea*, vol. iv, p. 155.

standing and good feeling between the two Governments which augurs well for the future. A Commissioner was selected to investigate smuggling conditions at all points on the coast and to make suggestions for preventive measures, a step which naturally developed into the formation of a Preventive Department under a Preventive Secretary.\* Under his guidance a strong preventive force has been built up, the coast has been divided into patrol sections, and stations have been established—many of them former Native Customs establishments—at strategic points all along the coast-line. Regulations—all with a preventive bearing—have been drawn up and approved by the Government for the general use of preventive officers when on duty,† for the rendering of ships' manifests,‡ for the bonding of general merchandise,§ for the control of bunker coal and stores for ship's use,|| for the control of Customs brokers,¶ for the control of towed traffic between Hongkong and Canton,\*\* and for the control of sea-going junks.†† In addition, the whole system of drawbacks which was honeycombed with abuse has been abolished,‡‡ and the ban of the law has been placed on all trading between China and foreign countries by steam and motor vessels of less than 100 tons.§§ Up till now, however, a Preventive Law has been lacking, and the need for such a law has been an urgent one. Our main disabilities are (1) that Customs powers of search and seizure at places other than on the sea within 12 miles of the coast, and within certain defined limits at specified places on the seacoast and land frontiers, depend entirely on the whim of the local authorities who can grant or withhold their co-operation as they see fit; and (2) that, except in a few isolated cases, we can confiscate goods or fine, but we cannot impose both penalties, and we are debarred from taking an offender to court on the single charge of smuggling goods which are not contraband. The smuggling of contraband, it should be noted, is an offence that comes under the Criminal Code. In 1932 an effort was made to remove these and other disabilities by the preparation of a Preventive Law. The draft of this Law, which, while providing

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\* I.G. Cir. Nos. 3990 (*antea*, vol. iv, p. 244), 4083 (*antea*, vol. iv, p. 295), and 4172 (*antea*, vol. iv, p. 365).

† I.G. Cir. No. 4139, *antea*, vol. iv, p. 313.

‡ I.G. Cir. Nos. 4179 (*antea*, vol. iv, p. 378) and 4410 (*antea*, vol. v, p. 22).

§ I.G. Cir. No. 4093, *antea*, vol. iv, p. 296.

|| I.G. Cir. No. 4076.

¶ I.G. Cir. No. 4379.

\*\* I.G. Cir. No. 4391, *antea*, vol. v, p. 5.

†† I.G. Cir. No. 4371, *antea*, vol. iv, p. 668.

‡‡ I.G. Cir. No. 4197, *antea*, vol. iv, p. 427.

§§ I.G. Cir. No. 4166, *antea*, vol. iv, p. 354.



for purely Chinese requirements, embraced also the adaptable features of similar laws in Great Britain, the United States of America, and Canada, was duly submitted to the Kuan-wu Shu, who approved the idea but wished to widen its scope and make it a comprehensive Customs law. Changes took place at this time in the Kuan-wu Shu, and the matter for the time being was dropped. On the return from Europe of His Excellency Dr. T. V. Soong in the autumn of 1933, the necessity of a Preventive Law was brought to his attention, and he gave orders that the draft of the Law already submitted was without further delay to be put before the Government for consideration. The National Tariff Commission were entrusted with the task of redrafting the Law, and this consideration together with the fact that there was no Customs representative regularly present on the redrafting committee account for certain features of the Law which, from the point of view of a Commissioner of Customs and of a Customs preventive officer, would be better if they were made more consonant with Customs requirements and more in harmony with existing Customs rules and procedure.

10.—A separate Circular dealing with the details of this present Preventive Law and of the interpretation that is to be put upon certain of its articles, as well as with the action of our Preventive Service to be based on this Law, will be issued shortly.

I am, etc.,

L. H. LAWFORD,  
*Officiating Inspector General, ad interim.*

## CIRCULAR No. 4924 (SECOND SERIES).

**Revenue: Accounts: to be kept in two currencies, gold units  
and standard dollars; alterations in Revenue Accounts;  
O.I.G.'s instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *17th August 1934.*

SIR,

1.—With reference to Circular No. 4025:\*

Notifying the introduction of a Customs gold unit to form  
the basis of calculation for import duties:

and to Circular No. 4583:†

Conveying the Government's instructions for the abolition  
of the Haikwan tael from the 10th March 1933, and  
its replacement by a new standard dollar in which all  
export and interport duties, surtaxes, and dues  
previously collected in Haikwan taels were thereafter  
to be collected, Revenue and Service Accounts  
rendered, and the values of native goods for statistical  
and all other purposes recorded:

I now circulate, for your information and guidance, copy of Kuan-wu Shu despatch No. 13878 (omitting the four specimen accounts forms, which concern only the Inspectorate), from which you will see that the Shu, at the instance of the Accounting Department of the Ministry of Finance, have instructed that the Customs revenue is to be recorded in future in two entirely separate and independent currencies of account, viz., the Customs gold unit and the standard dollar; and that the accounts as submitted by the Inspector General to the Ministry are to be prepared according to special rules of procedure drawn up by the Accounting Department of the Ministry of Finance.

2.—In order that the detailed instructions given later on in this Circular may be more thoroughly understood, I may explain that this change in the accounting system has been introduced in order to obtain a more theoretically accurate accounting, to eliminate the loss by exchange which has hitherto been incurred in the Customs

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\* *Antea*, vol. iv, p. 261.

† *Antea*, vol. v, p. 131.

Revenue Accounts on the sale of gold units, and to obviate the discrepancies which have sometimes manifested themselves between the Customs Revenue Accounts and the accounts of other Government offices in respect of the standard dollar equivalent of gold unit amounts, *e.g.*, when remittances of surplus gold units to the Ministry of Finance are recorded in the Ministry's accounts according to their outturn in dollars, but are recorded in the Customs accounts according to their collection value. The main feature of the change, as it affects both port and Inspectorate Revenue Accounts, lies in ceasing to calculate the standard dollar equivalent of the actual gold unit collection according to the gold unit/standard dollar collecting rate in force on the date of collection, and recording instead, as dollar equivalent, the actual outturn in standard dollars of gold units sold or converted at the Inspectorate. It follows from this that ports which collect import duty, etc., entirely in silver will be little affected by the changes now introduced; and if the explanation of the new procedure now given is carefully studied, no difficulties should be experienced in accounting for the revenue at those ports receiving part of their duties in actual gold units.

3.—You will observe that the Kuan-wu Shu in their covering despatch instruct that the new system of accounting is to be introduced as from 1st July 1934, but I am pointing out to the Shu that we would be faced with insuperable difficulties if we attempted to introduce the new procedure retrospectively at the ports, and recommending that it be made effective from the 1st October 1934. You are accordingly to put the new method into force on the 1st October 1934. Your Revenue, Flood Relief Surtax, and Revenue Surtax Accounts for the month of September are to be closed as usual at the end of the month. On the first working day in October you should remit your entire gold unit balance in each of these accounts, *i.e.*, import duty, flood relief surtax on import duty, and revenue surtax on import duty actually collected in gold units up to the close of office on the 30th September, and include these remittances in your Reports on Collection and Disposal of Revenue, form [B.—6], for the month of September, so that there will be no gold unit balance to be carried forward in your September report or brought forward to your October [B.—6] Report. These remittances will appear in the Schedule of Balance for the month of September under the heading "Difference," in order to effect a reconciliation with the Bank's Certificate of Balance. In all other respects the September Revenue, Flood Relief Surtax, and Revenue Surtax Accounts are to be prepared in the usual manner.

4.—From the 1st October 1934 you are to keep for your Revenue Account two cash books, one in gold units and the other in standard dollars. A *pro forma*\* page of each of these books is appended.

*Import Duty Cash Book.*—It will be seen that for the recording of figures this cash book has been divided into three main columns both on the debit side and the credit side, and that spaces have also been provided for “date” and particulars of receipts and payments and letter or number of schedule. In the first column, on the debit side, entry is to be made day by day of the gold unit amounts of import duty actually collected in gold units, together with any interest or miscellaneous receipt in actual gold units; in the second column, of the gold unit amount of import duty assessed in gold units but actually collected in standard dollars, together with the amount of standard dollars actually so collected; and in the third column, of the daily total receipt (*i.e.*, the total of columns 1 and 2 combined) in terms of gold units. On the credit side, following the principle that gold unit and standard dollar entries are to be recorded separately, remittances of gold units are to be entered in the first column; the gold unit amount, with its standard dollar outturn, of that part of the day’s import duty collection which is collected in silver, and is therefore transferable to the Standard Dollar Account, is entered in the second column; while the total of the first and second columns in terms of gold units is entered in the third column. As gold units can be disposed of for standard dollars only by the Inspectorate, ports are not concerned with the silver outturn of gold units, and therefore no space has been provided for recording the standard dollar equivalent of either receipts and payments in actual gold units or of the total collection expressed in terms of gold units.

*Standard Dollar Collection Cash Book.*—The debit side of the Standard Dollar Collection Cash Book is divided into five columns for the recording of moneys. The first column provides for the entry day by day of the amount of standard dollars transferred from the Gold Unit Account and representing import duty assessed in gold units but actually collected in standard dollars; the second column is for the entry of the export duty collection; the third column for the interport duty and interport surtax collection; the fourth column for bank interest and miscellaneous receipts in standard dollars; and the fifth column for the day’s total receipts in standard dollars. On the credit side there is only one money column, in which all payments are to be recorded irrespective of their nature, including remittances.

In order to reduce clerical labour at those ports where the whole of the import duty, etc., is collected in dollars, record of the assessment of import duty in terms of gold units may be kept in the Standard Dollar Cash Book. For this purpose the first column on the debit side of the Standard Dollar Cash Book is to be subdivided, so that a space may be made for recording the collection as assessed in terms of gold units. The keeping of a separate Gold Unit Account Book by such ports will by this means be obviated; but they are to follow in all other respects the principles laid down in this Circular for the keeping of the Revenue Accounts and the rendering of the various revenue reports and returns.

Before applying for a supply of new account books, you are requested to endeavour to adapt existing stocks.

5.—Remittances during the month of gold units collected are to be made to Inspector General of Customs Revenue (G.U.) Account, or Surtax (G.U.) Accounts, at Shanghai, as hitherto. In order to facilitate calculation at the Inspectorate of the equivalence in standard dollars of the aggregate of each port's gold unit remittances during a month, you are to remit, on the first working day of each month, the exact amount of gold units in hand at the close of the previous month. Such remittances are to be included in [B.—6] Reports for the previous month (cf. § 3 above, instructions for remitting the September 1934 balance), so that no single Remittance Note may cover the gold unit collection of more than one month. No payments other than remittances, are to be accounted for locally as made from local Gold Unit Accounts. At those ports where banker's commission is, under present arrangements, issuable in gold units, Commissioners are to arrange for payment in future in standard dollars. In the special case of the issue of two-tenths informant's fee in respect of import duty short-collected and subsequently recovered under the authority of Circular No. 4730 in gold units, the amount due is to be paid exceptionally at the port concerned in gold units and treated as a *pro forma* remittance of revenue to the Inspector General, who will account for it to the Government as a special appropriation in the accounts of the Inspectorate. A duplicate copy of the payment voucher concerned is to accompany the *pro forma* Remittance Note.

6.—Since the dollar equivalent of gold unit remittances will in future be determined only at the Inspectorate, the instructions of Circular No. 4430, in which you were requested to report

by telegram the Haikwan tael (subsequently standard dollar) equivalent of gold unit remittances effected at the end of a month, are cancelled.

7.—From October 1934 onwards your Monthly Revenue Return, form [B.—8], and your Report on Collection and Disposal of Revenue, form [B.—6], are to be rendered on the new forms, a *pro forma* \* for each of which is appended to this Circular.

*New [B.—8] Form.*—This has been divided into two money columns, one for recording import duty collection in gold units (irrespective of the currencies in which the import duty is actually received), and the other for recording export duty collection and interport duty and surtax collection in standard dollars. In making comparison between the import duty collection of any one month and that of the same month of the previous year, and between the cumulative totals of import duty for the period “From 1st January to date” of the current year and the previous year, only the gold unit total figures are to be taken. Comparison of the combined export duty and interport duty and surtax collection should of course be made in standard dollars.

*New [B.—6] Form.*—This is also divided into two money columns on each side. The gold unit column represents operations in the Gold Unit Account, and the standard dollar column records those in the Standard Dollar Account. A distinctive feature of the new [B.—6] form is the insertion on debit and credit sides of the heading “Inter-account Transfer.” Against this heading in the gold unit column on the credit side is to be entered the total amount in gold units of import duty assessed in gold units but actually collected in standard dollars during the month concerned, as transferred to the Standard Dollar Account; while the total amount of standard dollars actually so collected is to be recorded against the same heading in the standard dollar column of the debit side as transferred from the Gold Unit Account. All other items on both sides remain unaltered and call for no explanation.

A first supply of the new [B.—8] and [B.—6] forms will be forwarded to you by the Statistical Secretary. Further requirements are to be requisitioned for in the usual manner. Should, however, the new forms fail to reach you before the time specified for the submission by you of your Revenue Reports for October, you are requested to forward advance reports prepared on the lines of the specimens appended to this Circular.

8.—The Statement of Import Duty Collection usually attached to the [B.—6] Report is, beginning with the month of October 1934, to be prepared on uniform lines according to the *pro forma* \* appended (Enclosure No. 6) to this Circular.

9.—Since the Government require the prompt submission to them of Revenue Accounts, I have to enjoin upon Commissioners the necessity of despatching their [B.—8] and [B.—6] Reports to the Financial Secretary promptly on due dates, in order to facilitate early determination of the standard dollar equivalent of the gold unit collection. The [B.—8] Returns should be forwarded immediately after the close of the month concerned and not later than the third day of the following month (see I.G. Circular No. 3881, § 1, and Statistical Secretary's Printed Note No. 556). In I.G. Circular No. 1865 it was laid down that [B.—6] Reports were to be despatched not later than five days after the close of each month. With the simplification of Revenue Accounts work as a consequence of the abolition of the distinction between the 5 per cent revenue and the additional duties and of the discontinuance of the Haikwan tael and the introduction of the standard dollar, the strict observance of this time limit should present no difficulties. The special instructions issued to certain distant ports to close their accounts and submit their Revenue Reports and Returns before the end of the month remain in force.

10.—From Enclosure No. 7 \* you will see that the form for the Report of Import Duty on Rolled Tobacco, [B.—9], has also now been revised. The standard dollar equivalents of the respective entries of import duty expressed in gold units are no longer required. Further, with a view to simplifying Revenue Accounts at ports, the columns in the original and now discarded [B.—9] form showing the respective amounts of four-fifths duty "actually collected in gold unit cheques and notes" and "actually collected in local currency (dollars, etc.)" have been deleted from the new form. Your [B.—9] Reports from October 1934 are to be submitted on this new form, a first supply of which will accompany this Circular.

11.—According to Article 11 of the new rules of procedure, the sub-statement appended to the Customs budget showing port by port the estimated amount of import duty is to give, for each port, only the gold unit total of the import duty estimated. I have

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\* Not printed.

therefore to request you, when preparing your annual Budget Estimate, form [B.—58], to express your estimated collection of import duty in gold units only.

12.—Finally, I have to say that the instructions of §§ 4, 5, 6, 7, 8, and 9 of this Circular are, *mutatis mutandis*, also applicable to the Flood Relief Surtax and Revenue Surtax Accounts, and that the instructions of § 11 are, *mutatis mutandis*, applicable to the Flood Relief Surtax Account.

I am, etc.,

L. H. LAWFORD,  
*Officiating Inspector General, ad interim.*

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## ENCLOSURE.

財政部關務署訓令計字第一三八七八號中華民國二十三年八月九日

令代理總稅務司羅福德

案准部會計司函稱，

「查海關總稅務司記帳辦法，前經會同貴署，及其他關係司署代表商定改用複本位制，以避免從前帳面上之虧損，及與關係機關列帳不符等事，茲經本司依照前次商定原則，草擬海關總稅務司用複本位幣記帳辦法十二款，及應行改革之表式四張，相應檢同原件，函請貴署查酌，如認為尙有修正或補充之處，希訂期再行會商，以期免除窒礙，認為可行，即請轉飭總稅務司遵照辦理」

等由，並附記帳辦法及表式到署，查該司此次改訂複本位幣記帳辦法，原為劃一各關係機關列帳方式，並避免從前帳面上關金兌換銀元之盈虧，其所擬條款及表式，概以實際現金收支為標準，按諸海關現行會計制度，尙無不妥，除函復外，合行抄發原送辦法十二款，并表式四紙，令仰該代理總稅務司即自二十三年度起，遵照實行，嗣後各關稅收總數，應逕以實收關金及國幣數目，分項列報，無庸再將關金部份折成國幣，以期實在，併仰遵照，此令。

附發海關複本位幣記帳辦法一份表式四紙

## 海關總稅務司複本位幣記帳辦法

一、海關記帳單位用兩種本位幣，即金單位與銀元。

二、原以金單位計算之進口稅，進口附加稅，進口救災附加稅，及由金單位帳上所生之利息，均以金單位爲記帳單位，並另立金單位帳戶，以表現金單位收入售出之狀況。

三、原以銀元計算之出口稅，轉口稅，船鈔，罰款充公變價，雜項收入，及由銀元帳上所生之利息，均以銀元爲記帳單位，記入各項銀元帳戶，其出售金單位所收之銀元數，亦記入銀元帳戶。

四、凡以金單位計算之稅款逕行折收銀元者，仍於金單位帳戶列收應納金單位數，並同時列支，作爲售出，而以實收銀元數，作爲該項金單位售得之數，記入銀元帳戶。

五、凡支付經費，解繳國庫，撥付內債基金，及其他機關之款，均應由銀元帳戶內列支，其以金單位折算外幣價付之外債賠款等項除於金單位帳戶列支原付金單位數外，並以當日各該外幣市價折合銀元數，於銀元帳戶，同時列收列支。

六、凡以銀元支付之款項應先儘銀元帳戶之結存數使用，如因不敷而須出售金單位時，應於金單位帳戶列付售出數，而於銀元帳戶列收以金單位售得之銀元數，然後照支付數列支。

七、年度開始時，金單位帳戶，如有轉入上年度結存數，應於該年度出售金單位時儘先作爲售出上年

度結存之金單位，並於當日稅款收支數目月報表，付方金單位欄內，另款列支出售上年度結存金單位數，收方銀元欄內，另款列收上年度結存若干金單位售得之銀元數，俾編造上年度決算書時，其所收金單位，得確定其折合之銀元數。

八、上年度內金單位帳上所生之利息，應於該年度所售上年度結存之金單位數內劃出，並以最後出售之價格折算其所得之銀元數，於稅款收支數目月報表內另列一款，以便編造決算時，易於鉤稽。

九、編造歲入概算書及決算書，均應以銀元爲單位，其原以金單位計算之進口稅及利息，在概算書內註明金單位數及其折合率在決算書內應以各該項金單位售得之銀元數列入並註明其金單位數。

十、該年度內金單位帳戶，所售金單位數，減去上年度結存數，即爲該年度所收金單位之已售數，以其售得之銀元，加該年度終了後結存金單位在次年度內售得之銀元，即爲該年度所收金單位折合之銀元數，在該項銀元數內，減去金單位帳戶所生利息售得之銀元，即爲該年度進口稅之銀元收入數。

十一、歲入概算及決算附屬表，各關進口稅欄，可仍列金單位數，而於概算附屬表合計數欄加列折合銀元總數，決算附屬表合計數欄加列所售得之銀元總數，以便與歲入概算書及決算書所列進口稅對照。

十二、決算所附收支對照表，所列各款，應均以銀元計算，上年度結存之金單位，應照該項金單位事後售得之銀元數，與其他銀元帳戶結存之銀元數，合計轉入該年度收支對照表。

## CIRCULAR No. 4950 (SECOND SERIES).

**Office procedure: appointment of Travelling Commissioner to visit and inspect ports in connexion with; appointment of Mr. Lu Shou Wen as, and duties of; O.I.G.'s remarks and instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *6th October 1934.*

SIR,

Circulars Nos. 4676 and 4845 \* dealt at length with the subject of office procedure and the necessity of introducing certain reforms calculated to minimise the possibility of frauds upon the revenue. Reports were called for and have been the subject of official correspondence with each port, but, while it is clear that much has been done to tighten up our existing procedure, I am of the opinion that we cannot afford to rest where we are. It is unlikely that dishonest and unscrupulous merchants finding old loopholes closed will be content to let matters rest there: in fact, it is certain that they will set about to discover and devise new ones. The work of improvement should, therefore, be continuous and progressive, and we should ever be on the alert to detect weaknesses and new breaches in our defences.

With this object in view and with a view also to maintaining a closer personal touch between the Inspectorate and port Commissioners, I have decided to appoint a Travelling Commissioner, who will have the standing of an Inspectorate Secretary and whose duty it will be to visit and inspect the ports from time to time as and when special circumstances necessitate. The Travelling Commissioner will have my full authority to investigate the office procedure and conditions generally of any port which he visits in his official capacity, and I look to port Commissioners to render him every facility and assistance in the course of his duties. His visits will also offer Commissioners an opportunity of personally discussing their difficulties with a member of the Inspectorate staff, which should tend towards a closer understanding between the Inspectorate and the ports.

The Travelling Commissioner is not authorised without my express instructions to institute any radical changes in a port's procedure, but he may point out to Commissioners where, in his

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\* *Antea*, vol. v., pp. 270 and 387 respectively.

opinion, it can be improved, make recommendations, and assist generally with practical advice. Suggestions for any changes should come forward from Commissioners by official despatch.

In addition to his general duties in connexion with office procedure, as outlined above, the Travelling Commissioner will, when called upon by me to do so, investigate on the spot complaints received from merchants, etc., attend courts of inquiry into the conduct of employees accused of malpractice, etc., and study the question of staff requirements at the ports with a view, more particularly, to effecting economies by retrenchment in certain categories of staff.

Mr. Lu Shou Wen,\* who has a wide experience of Customs practice and of General Office procedure, has been selected as the first incumbent of the new post, and his appointment as Acting Travelling Commissioner (Deputy Commissioner) will date from the 1st October 1934. Mr. Lu will enter upon his new duties immediately, and I am confident that with the co-operation and assistance of Commissioners at the ports lasting benefits to the Service will result from this new office.

I am, etc.,

L. H. LAWFORD,

*Officiating Inspector General, ad interim.*

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\* Lu Shou-wen, whose family home is in the Heungshan district of Kwangtung, was born on the 11th January 1891 at Foochow. He was educated at the Customs College, Peking, and, after graduating there, proceeded as a Government student to the University of Wisconsin, where he graduated B.A. in 1914. He was appointed to the Customs Service on the 6th January 1915 as 4th Assistant, C, at Foochow, where he remained for over 10 years. From July 1925 to February 1932 he was on duty at Shanghai, first in the Custom House, where for several years he rendered yeoman service as an Import and, later, an Export Supervisor in the General Office, and second at the Inspectorate, where he was in charge of the Department of Chinese Studies under the personal direction of the Chinese Secretary. In March 1932 he was transferred to Hankow, where for a time he was Acting Deputy Commissioner in charge. His next post was Ningpo, where he was Acting Commissioner for a year, and where on the 1st April 1934 he was promoted Deputy Commissioner. From the 1st October 1934 he was again transferred to the Inspectorate and appointed Travelling Commissioner, a post which he held till the 30th April 1937, when he was sent to Chungking in charge of that port and of Wanhhsien. He was promoted Commissioner on the 1st April 1937. In 1936 Mr. Lu conducted the oral tests completing the Inspectorate Chinese examination of that year and the examination of Hsiieh-hsi-yüan, and in the following year was appointed to investigate the complaints against Customs officers of maltreatment of Chinese emigrants returning from abroad to the southern ports—Foochow, Amoy, Canton, Kongmoon, and Kiungchow.

## CIRCULAR No. 4964 (SECOND SERIES).

**Transshipment privileges: restricted to two categories of cargo, notifying. Duty abatement granted to transshipment cargo damaged or destroyed *en route*, informing.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 23rd October 1934.

SIR,

With the enforcement of higher Import Tariff rates in recent years the question of transshipment cargo has become one calling for serious attention.

From the wording of Article XL of the Treaty of Tientsin (1858) with Great Britain—"No transshipment from one vessel to another can be made without special permission, under pain of confiscation of the goods so transhipped"\*—and Article XXIII of the Treaty of Tientsin (1858) with the United States of America—"When goods on board any merchant vessel of the United States in port require to be transhipped to another vessel, application shall be made to the Consul, who shall certify what is the occasion therefor to the Superintendent of Customs, who may appoint officers to examine into the facts and permit the transshipment; and if any goods be transhipped without written permits, they shall be subject to be forfeited to the Chinese Government,"†—it is plain that the transshipment of merchandise from abroad is a treaty right conditioned by the necessity of first obtaining the specific permission of the Superintendent of Customs given at his discretion. In actual practice, however, the transshipment of cargo has since 1861 been permitted on application at the Custom House. During the sixties and early seventies of last century that permission was not given with the same latitude as obtains now. In those days merchants were allowed only forty-eight hours in which to reship goods declared for transshipment, and in the event of such goods not being reshipped within that time, the owners or agents were obliged to import the goods in question and to pay duty.‡ As trade developed, this restriction was relaxed, and in the early eighties we find a time-limit of five days given, within which merchants could ship goods

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\* "Treaties, Conventions, etc.," *op. cit.*, vol. i, p. 416.

† *Ibid.*, p. 723.

‡ *Vide* Shanghai Customs Notification of 1st December 1876.

declared for transshipment.\* The year 1888 was marked by the introduction at Shanghai of the bonded warehouse system, provided for by Article III of the Supplementary Convention of 1880 between Germany and China,† and this led to permission being given for the bonding of transshipment goods, under the proviso that such goods were not to remain in bond longer than four months, after which period they were to be examined by the Customs and duty paid on them by the proprietors of the bonded warehouses.‡ This bonded warehouse system was a failure, and very little use, it seems, was ever made of the privilege either for ordinary imports or for transshipment goods.§ Shipping agents and consignees preferred to land all their goods into wharf godowns under a General Discharge Permit, subject only to the restrictions imposed by the terms of the Annual Guarantee,|| thereby gaining the advantage either of importing or of transshipping when the time-limit—with extensions, if any—for the clearing of the import manifest had expired. This leniency did not lead to serious consequences as long as Tariff rates were low, but since these have been greatly increased it has become necessary to take precautionary measures against abuse of transshipment facilities.

Concurrently with the increase in Import Tariff rates, the burden of wharfage and conservancy dues, which at certain ports are based on the current duties levied on import cargo, became proportionately heavier, and merchants, more especially at Shanghai, with a view to avoiding the payment of these automatically enhanced dues at port of first entry, refrained to an ever-increasing extent from importing cargo, as they had done previously for subsequent reshipment by rail or vessel to other places, but, instead, applied for transshipment of their cargo, a procedure made possible by the existence of the facilities alluded to above, forwarding it to places where such dues are not leviable, for payment of duty there, the result being that the collection of these dues, notably at Shanghai, has diminished alarmingly.

In order, therefore, to safeguard revenue and to meet the needs for which wharfage and conservancy dues are levied, it has become necessary to curtail transshipment privileges and restrict them to

\* *Vide* Shanghai Customs Notification of 8th September 1881.

† *Vide* Shanghai Customs Notification of 20th December 1887.

‡ *Vide* Shanghai Customs Notification of 4th February 1889.

§ For reasons for the failure of the 1888 bonding system at Shanghai, *vide* Wright: "China's Struggle for Tariff Autonomy," *op. cit.*, p. 294; also Customs Papers, No. 59: "Bonding System at Shanghai, 1889," p. 10.

|| For origin of Annual Guarantee, *vide* Wright, *op. cit.*, p. 228; *postea*, vol. vi, pp. 101-104, 245-248, 273, 572.

strictly genuine transshipment cargo, and I accordingly recommended to the Kuan-wu Shu that such privileges should be limited to the following two categories of cargo:—

- (1) Foreign imports passing through an open port under through bill of lading to another open port;
- (2) Foreign imports under ordinary bill of lading to the first port of entry but declared for transshipment, without option of importation, before discharge from the importing vessel.

You will see from the appended copy of my despatch to the Shu that I also pointed out that according to existing Customs regulations foreign goods become liable to the payment of import duty on arrival at the first port of entry, and that this ruling has caused some difficulty in the duty treatment of transshipment cargo damaged or destroyed *en route* between the first port of entry and the port of destination, and I recommended that duty abatement or exemption should be granted to transshipment cargo so damaged or destroyed.

From the appended copy of Kuan-wu Shu despatch No. 13592 you will see that the Shu have approved my recommendations. You are requested to act accordingly, issuing a joint notification informing the public that the above definition of transshipment cargo will be introduced from 1st December 1934.

It will, of course, be essential in future, when transshipment cargo is landed, either into cargo-boats or on to wharves, to keep it entirely segregated from import cargo.

It is to be noted that pilferage of transshipment cargo while *en route* between first port of entry and port of destination does not come within the meaning of damage entitling the cargo to the duty abatement now authorised, but it is to continue to be treated in accordance with Circular No. 4675 (P.Q.S. No. 722), and that transshipment cargo damaged or destroyed by flood, fire, or other causes beyond human control after its arrival at port of destination may be granted the consideration enjoyed by import cargo under the provisions of § 5 of Circular No. 4309.

I am, etc.,

L. H. LAWFORD,  
*Officiating Inspector General, ad interim.*



## ENCLOSURE.

總稅務司呈 關務署文第五九〇二號中華民國二十三年五月二十二日

案奉

鈞署政字第一一五六五號訓令內開：

「奉

部長發下上海市政府公函一件，內開：『案據市民郁仲文條陳整頓碼頭捐辦法兩項，請轉咨核辦等由，查核所陳辦法似尙不爲無見，相應鈔送原條陳一件，函請查核見復』。等因：附鈔原呈一件准此。查前准上海市政府以糖業公會請徵收轉口貨碼頭捐一案，函請核辦過署，當經本署以轉口貨物不止糖貨一項，如一切轉口貨物，均照徵該項捐款，估計每年可徵若干，等語，於第一一二三九號訓令，飭由該總稅務司詳查核計在案。茲准前因，合行鈔同原呈。令仰該總稅務司查照前令指飭各節，從速查核具復察奪』。

等因：計鈔原呈一件，奉此。

查此案前奉

鈞署政字第一一二三九號訓令，飭將如一切轉口貨物均照徵該項捐款，估計每年可徵若干，自改訂捐率後，所代徵之碼頭捐，每年實徵若干，及以前所徵此項捐款，以何年爲最多數，其數

若干，分別詳查核計呈核，等因。經飭據江海關稅務司伯樂德分別查明，所有轉口貨物，如一律在上海照徵碼頭捐約略估計，每月約可增收海關金單位一萬五千元至二萬元，每年可增海關金單位二十萬元，自民國十八年增加進口稅率以後，該關代徵碼頭捐，每年實徵數目，計民國十八年徵收國幣一百四十一萬七千二百五十七元八角一分，十九年徵收國幣一百五十九萬五千八十四元六角五分，二十年徵收國幣一百九十一萬五千六百五十二元，二十一年徵收國幣一百二十六萬三千五百六元四角五分，二十二年徵收國幣一百五十一萬二千五百二十八元三角二分，以前所徵此項捐款，以民國二十年所收爲最多數。／

竊按江海關代徵碼頭捐及濬浦捐，均照進口稅提成徵收。按照現行徵收該項捐款章程，進口洋貨，由上海轉船運往其他口岸者，准予免納捐款，在進口稅率未增加以前，因進口稅率甚低，捐率較微，向無藉轉船避免納捐情事，但自進口稅率增高以後，該兩項捐率，亦隨之激增，商人以避免捐款，有利可圖，遂多利用轉船辦法，將由上海進口之洋貨，報請轉船運往其他口岸報關納稅，以避免該兩項捐款。據調查所得，進口洋貨，於運抵上海後，臨時覓妥銷路，再按轉船貨物運往其他口岸者，爲數極多。此項貨物，從前均在上海報關進口，繳納進口稅及碼頭捐濬浦捐，再由鐵路民船或小輪運往

內地，今則商人爲避免繳納碼頭濬浦兩捐，故多報請轉船運往其他口岸進口納稅，實於捐款收入，大有影響，似有加以取締之必要。惟以前轉船貨物既均准免捐，若以後轉船貨物，一律飭令照繳該兩項捐款，似亦非所宜，反復思維，惟有將轉船貨物，加以限制，方足以資取締。擬請規定嗣後必須（一）有通運提單指運其他口岸者，（二）持有普通提單指運第一進口口岸，但在起卸以前向關呈請轉船，並聲明不再改在第一口岸進口者，方准轉船，其他洋貨，一經抵埠即須報關進口，不准轉船，如此辦理，則所有在上海准其轉船之貨物，仍可免捐，其餘既經在上海完稅進口，不准轉船，自應照章納捐，庶於維護捐款之中，仍不失轉船免捐之原則。／

再查按照現行海關章程，凡洋貨於到達第一口岸後，無論進口或轉船，應即視爲已正式進口，照徵一切稅項，但轉船貨物，得於該貨運抵指運口岸後，由該口海關徵收之，以故轉船貨物，如在第一口岸至第二指運口岸途中損壞者，徵稅時往往發生困難，竊以此項辦法亦應連帶修改，以資允當。擬請規定嗣後轉船貨物，在第一到達口岸至第二指運口岸途中，因水火或其他人力不可避免之禍變，遭受損失，經海關查明有確實證據者，得按其損失程度，酌予減免進口稅，俾與直接進口貨物待遇一律

所有遵令查明江海關代徵碼頭捐收入情形，並擬議限制進口洋貨轉船辦法及轉船途中損壞貨物酌予減免稅項各緣由，是否有當，理合備文呈請

鑒核，指令祇遵。／

謹呈

財政部關務署長沈。

財政部關務署指令政字第一三五九二號 中華民國二十三年七月六日

令代理總稅務司羅福德

五九〇二號呈一件查明江海關代徵碼頭捐收入情形並擬議限制進口洋貨轉船辦法及轉船途中損壞

貨物酌予減免稅項請核示由

呈悉，既據稱以前轉船貨物，既均准免捐，若以後將轉船貨物，一律飭令照繳該捐，似非所宜，應准照該江海關稅務司所擬限制進口洋貨轉船辦法辦理，除由部函知上海市政府外，仰即轉行知照，至所擬貨物在轉船途中，所受禍變損失，酌予減免稅項一節，並准照辦。此令。

## CIRCULAR No. 4965 (SECOND SERIES).

**Manifest Regulations: carrying of unmanifested merchandise by vessels: question of penalties for; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 25th October 1934.

SIR,

Certain shipping companies having complained, not without reason, against the lack of uniformity prevailing at various ports in the interpretation of the Manifest Regulations and in the infliction of fines for unmanifested cargo found on board, it appears desirable to invite your attention to the limitation of our powers of exercising discretion in the application of the Regulations since the promulgation of the Preventive Law in June of this year. In Article 6 of the original Manifest Regulations, notified in Circular No. 4179,\* provision was made for either the non-infliction or the mitigation of penalties in respect of unmanifested merchandise should it appear to the satisfaction of the Customs that neither the master of the vessel, nor any of the officers, nor the owner could have known of the presence of such merchandise on board, and it is to the varying degrees of latitude with which this clause has been applied that the inconsistencies complained of by the shipping companies are primarily due. The revised Manifest Regulations, notified in Circular No. 4929, were framed so as to accord with the Preventive Law, and the latter having made no provision for mitigating circumstances, the clause allowing discretion in the matter of imposition of penalties is absent from Article 7, which corresponds to Article 6 of the original Regulations; moreover, the revised Regulations are even more exacting in this connexion in that not only do they not provide for the waiving of penalties, but that they also set a minimum penalty of a fine of \$200 for each and every case in which a vessel is detected carrying unmanifested merchandise. In these circumstances, therefore, it is evident that, whenever a vessel becomes liable to penalty under Article 7 of the Manifest Regulations (and here, be it noted, a vessel is definitely so liable when the merchandise is carried in the ship's hold or is of such a bulk and nature as to be easily discoverable by a proper search and inspection of the ship, or is either owned by or

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\* *Antea*, vol. iv, p. 378.

smuggled in connivance with the ship's staff, or is concealed in a place to which only the officers and crew normally have access), Customs discretionary powers are limited to the extent of deciding the amount of the fine to be imposed within the maximum and minimum amounts prescribed. On the other hand, when such merchandise is carried in ordinary passengers' baggage, *i.e.*, trunks, suit-cases, portmanteaux, etc., or is very small in bulk or is in small quantities easily concealed by runners or passengers from the members of the ship's staff, the offence cannot with reason be held to be one of carrying unmanifested cargo from the point of view of the ship's responsibility, and Customs action in such cases should be confined to the confiscation of the goods concerned and, when possible, to the infliction on those responsible of the penalties prescribed in Article 21 of the Preventive Law.

In order to forestall any misunderstandings that may arise in connexion with the above remarks on the grounds that they are incompatible with the instructions regarding the application of the Preventive Law contained in the body of Circular No. 4926, I deem it necessary to explain that the Manifest Regulations having been successfully enforced in respect of vessels of countries enjoying extraterritorial rights for some time past, the infliction of fines on such vessels does not represent an extension of our existing accepted powers of imposing penalties, and further that there can be no question of a nominal fine to mark the offence, in the sense of § 2, (*d*), of the Circular quoted, in a case against a ship for the carrying of unmanifested cargo.

In conclusion, I trust that the explanations now given, which in effect are no more than an amplification of the general instructions of Circular No. 4926, will assist Commissioners in the application of the Regulations and will lead to a more uniform practice generally in regard to the imposition of penalties for the carrying of unmanifested merchandise.

I am, etc.,

L. H. LAWFORD,  
*Officiating Inspector General, ad interim.*

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## CIRCULAR No. 4969 (SECOND SERIES).

**Junks: revised regulations for the control of sea-going junks,  
circulating; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 30th October 1934.

SIR,

1.—With reference to Circular No. 4371:\*

Junks: regulations for the control of sea-going junks:  
enforcement of; instructions:

and to Circular No. 4588:

Calling upon Commissioners to report upon the working  
of the Junk Regulations and to submit recommendations  
for any improvements or additions that they may  
consider advisable:

I now circulate, for your information and guidance, copy of  
Kuan-wu Shu despatch No. 13582, forwarding a copy of revised  
regulations for the control of sea-going junks, which have been  
duly approved by the Government. An English translation of the  
regulations is enclosed.

2.—The regulations are to be embodied in a notification to the  
public to be issued conjointly by the Superintendent and yourself,  
and they are to be put into force forthwith. Copies of the  
notification are to be posted at all Custom Houses and at all stations  
and barriers on the coast and are also to be distributed to junk  
guilds and other interested bodies.

3.—A study of the new regulations will disclose that certain  
of the clauses are not in accordance with the Preventive Law, and  
in this connexion it is necessary to explain that the latter had  
not been passed and promulgated at the time when the regulations  
were revised at the Inspectorate and submitted to the Government.  
Accordingly, on receipt of the latter's approval of the regulations,  
the attention of the Kuan-wu Shu was drawn to the various  
inconsistencies, and instructions requested as to whether further  
revision was required or whether it was proposed to treat the junk  
trade independently of the Law governing Customs preventive

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\* *Antea*, vol. iv, p. 668.

activities. In reply the Kuan-wu Shu directed that, as the regulations generally are not in serious conflict with the provisions of the Law, and since they have already been approved for promulgation by the Executive Yüan, it would be undesirable to subject them to further revision at the present time, but that the circumstances of each case occurring in connexion with a junk are to be carefully considered, and discretion is to be exercised in arriving at a decision. Copies of the relevant correspondence exchanged with the Kuan-wu Shu will be found in Enclosure No. 3 to this Circular. The main inconsistencies with the Law to be found in the regulations are in regard to the penalties imposable, which under the regulations are far less severe and are not subject to minimum figures. Pending instructions to the contrary, however, you may apply the regulations as they now stand, with the reservation that the provisions of the Law may always be invoked when the seriousness of any particular case warrants. No reference to this point is to be made in any notification to the public.

4.—The new regulations were drawn up mainly in the light of experience gained, as reflected in the reports submitted by Commissioners in reply to Circular No. 4588 quoted above, but a word of explanation is due as to the reason why certain of the suggestions put forward have not been adopted. Until the advent of high tariffs and the consequent need for increased control the majority of junks plied haphazardly and were subject to very little restriction, the Native Customs rules being simple and, in many cases, not strictly applied; so that, with the introduction of the Junk Regulations at the end of 1931, making it obligatory for junks to conform to a set of clearly defined rules under pain of severe penalties, junkmen were faced with an unfamiliar situation, and, being mostly ignorant, it was hardly to be expected that they would understand, and fall in readily with, the new order of things. During the past two to three years, however, much has been done to make junks register, take out papers, and enter and clear in a regular manner, but the process of education must needs be gradual and slow, and the sudden introduction of long and complicated regulations, covering every conceivable point in connexion with the junk trade, would only serve to make, in the minds of junkmen, confusion worse confounded. For this reason various suggestions made by port Commissioners have had to be discarded for the time being, and in the revision every effort has been made to preserve the simplicity of the regulations by amplifying and adding to the existing regulations only when experience has shown such amplifications or additions to be essential to control. The revised regulations now notified, therefore, constitute only a step



further in the control of the junk trade, and no claim is made that they attain perfection or completeness, which will only come about by periodical revision as further experience is gained and junkmen become accustomed to the strict observance of the various rules and regulations promulgated.

5.—A set of explanatory notes on various articles of the regulations form Enclosure No. 4 to this Circular, but, in addition, there are certain points in connexion with the regulations generally and their application which call for attention as follows:—

- (a) The metric system has been followed throughout the regulations, the decimal figures of the exact metric equivalent, *i.e.*, 120.958 quintals, of the capacity of 200 piculs prescribed in the original regulations as the dividing line between junks subject to the regulations and those to which special regulations should apply having been omitted. The capacity expressed in terms of quintals is to be applied to all other instructions issued in the past in connexion with the junk trade, that is to say, when hitherto junks of 200 piculs have been mentioned, “junks of 120 quintals” is now to be substituted.
- (b) All junks engaging in trade have now to register and observe the regulations irrespective of their capacity.
- (c) Provision has been made in the regulations for junks to engage in fishing during the season and to resume their status as trading junks when desired. It has been advocated in some quarters that junks engaged only in fishing should also be registered, but complete control of such junks at all ports is impracticable. Fishing-junks could be registered, supplied with Pass-books, and branded and painted, but when proceeding to, or coming from, sea in large fleets, as is frequently the case, clearances and entrances including search could not be attended to without such an increase in staff as would be out of proportion to the results obtainable.
- (d) Domestic sea-going junks calling at a place where there is no Customs establishment are no longer required to report their entries and clearances to, and have their Pass-books viséd by, the local competent authorities. The system was found to be unreliable and subject to abuse, and it has not been perpetuated, therefore, in the revised regulations.

- (e) The chartering or commandeering of junks by military, police, salt, and other authorities does not exempt them from complying with the regulations.
- (f) In all cases, in which junks are either confiscated for smuggling and sold or are fined for serious offences, it is of the greatest importance that the registration of such junks should be cancelled and their Licences and Pass-books withdrawn and the owners made to effect registration anew.
- (g) Warnings given to, and penalties inflicted on, junks should invariably be recorded in the Pass-books, so that, should the offence be repeated, previous offences may be known to the Customs dealing with the case and the junk punished accordingly.

I am, etc.,

L. H. LAWFORD,  
*Officiating Inspector General, ad interim.*

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## ENCLOSURE.

總稅務司呈 關務署文第六一四九號 中華民國二十三年七月十八日

案奉

鈞署政字第一三五八二號訓令內開：

「前據該署擬具修正海關管理航海民船航運章程草案，經部會同交通部加以審核，呈奉 行政院指令內開，『會呈及附件均悉，准予備案，並予轉呈 國民政府鑒核矣，仰即知照。附件存，此令』等因。除由部令行各海關監督遵照外，合行抄發該章程一份，令仰轉飭遵照。」

等因，並章程一件，奉此。查該章程頒發之日期，按之鈞署令文爲七月五日，而海關緝私條例已於六月十九日公布施行，是緝私條例公布在前，該章頒發在後，該章自應與緝私條例規定相符，乃按該項章程所載尙有與緝私條例未能符合之處，未知

鈞署原旨，是否欲使民船貿易，單獨管理，不受緝私條例之限制，抑或該項章程，仍應按照緝私條例重行修改，應請

明白訓示，以便通令遵行。惟緝私條例所訂各條，如呈驗艙口單辦法等項，原爲輪船貿易而設，其中所定罰則，若施之於民船，似嫌過重，應併聲明，所有職署對於海關管理航海民船航運

章程與海關緝私條例不符之處應行請示緣由，理合具文呈請鑒核令示祇遵。

謹呈

財政部關務署長沈。

財政部關務署指令政字第一四四七二號中華民國二十三年十月九日

令代理總稅務司羅福德

呈二件爲奉發海關管理航海民船航運章程尙有與海關緝私條例未能符合之處請核示俾便轉飭遵照  
由

兩呈均悉。查該章程原專爲規定航海民船註冊及掛號各項手續，以便海關管理而設，如該項民船犯有走私情事，自可察酌情形，依照緝私條例處理。至關於呈驗艙口單辦法之罰則，該章程規定爲五百元以下，或除將船貨充公外，并科以罰金，核與緝私條例第十五十六十七十八等條所規定或爲一百元以上一千元以下，或爲二百元以上二千元以下，並得沒收其貨物，尙無甚牴觸之處，應由各關詳察案情，參酌辦理，該章程業奉

院令核准施行，毋庸再加修改，仰卽遵照。此令。

## CIRCULAR No. 4971 (SECOND SERIES).

Silver: export of, abroad: export duty on, to be charged at rate of  $7\frac{3}{4}$  per cent on dollars and Central Mint bars, and 10 per cent on other forms of, plus equalisation charge to be determined daily according to rate fixed by Central Bank of China, from 15th October 1934; instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 30th October 1934.

SIR,

1.—With reference to Circular No. 4611:

Instructing that a duty of  $2\frac{1}{4}$  per cent *ad valorem* was to be levied on all silver sycee, silver bars, silver ingots, silver slabs, and silver in mass exported abroad on and after 6th April 1933, with the exception of Central Mint silver bars:

I append copy of Kuan-wu Shu telegram No. 1710 dated the 15th October 1934, from which you will see that the Government have instructed that as from 15th October 1934—

- (i) Export duty is to be levied on silver dollars and Central Mint bars at the rate of 10 per cent less  $2\frac{1}{4}$  per cent for minting charges, etc., making a net levy of  $7\frac{3}{4}$  per cent, and on other forms of silver at the rate of 10 per cent; and
- (ii) In addition to the collection of export duty, an equalisation charge is to be imposed on exports of silver equal to the deficiency, if any, existing between the theoretical parity of the price of silver in London and a rate of exchange officially fixed by the Central Bank of China at Shanghai after due allowance has been made for the payment of export duty.

2.—The above instructions of the Government were duly transmitted to you in my telegram of the 14th October 1934. I also notified you at the same time that this new export treatment was to apply to all shipments of silver actually made on or after 15th October, irrespective of the date of the covering applications to export; that you would be notified whenever an equalisation charge was leviable; and that, as the Central Bank of China only notifies the Inspectorate at Shanghai at 11.30 a.m. daily of the equalisation charge leviable

on that day, shipments of silver should not be passed for export prior to the receipt by you of telegraphic information relative to the equalisation charge applicable to the day in question. As the Central Bank is now notifying the Inspectorate of this rate at 10 a.m. daily, it should be possible for most ports to receive it during the course of the afternoon of the same day; but in the event of late arrival you may, rather than force an exporter to shut out his shipment from a vessel clearing that day, release exports of silver on deposit pending receipt of information of the correct rate to charge. The deposit should be large enough to cover a 100 per cent increase on the last equalisation charge notified to you.

3.—Since the despatch of my telegram of the 15th October regarding levy of surtaxes, the Minister of Finance has ruled that flood relief surtax and revenue surtax are leviable on export duty only, and not on the equalisation charge, and I have therefore to request you to give effect to these revised instructions.

4.—You are requested to note in this connexion that the proceeds of the exchange equalisation charge are to be brought to account as export duty. In order, however, that as complete information as possible may be available for the Government on this subject, I have to request you to attach to your monthly [B.—6] reports, beginning with the report for the month of October 1934, a statement showing the collection made during the month on shipments of silver under the separate headings of (i) Export Duty and (ii) Equalisation Charge. I have further to request you to report by memorandum to the address of the Financial Secretary (a) the amount of duty collected monthly from the 6th April 1933 to the 14th October 1934 on exports abroad of silver sycee, bars, ingots, slabs, and silver in mass at the rate of  $2\frac{1}{4}$  per cent notified in Circular No. 4611, and (b) the quantity of dutiable silver sycee, etc., exported monthly during that period.

5.—The Government have decided that, in future, the rate of equalisation charge to be followed is the rate ruling on the date of the application to export, and not on the date of the vessel's clearance. Further, it has been ruled that, if silver passed for export abroad is withdrawn from shipment, the amount of equalisation charge paid is not refundable.

6.—Telegrams notifying the daily equalisation charge enforceable have hitherto been despatched to all ports. Beginning with the 10th November, however, regular notification of the equalisation charge will be confined to those ports from which silver has in the past frequently been exported abroad, as follows: Tientsin, Chefoo,

Shanghai, Foochow, Amoy, Swatow, Kowloon, Kiungchow, Mengtsz, Tengyueh. Information will be sent by telegram except in the case of Shanghai. When there is a change in the Customs gold unit/standard dollar collecting rate, the exchange equalisation charge enforceable will be notified in the "WIGE" telegram. In this connexion the code group for "Exchange Equalisation Charge .....per cent" will be GIZU, and a letter in alphabetical series will be added to this code group to ensure that failure to receive a telegram can be readily detected. If application is made to export silver from any port not included in the above list, the Commissioner should telegraph to the Inspectorate requesting to be informed of the equalisation charge enforceable, and this information will then be sent to him by telegram on three consecutive days. Commissioners at ports in the province of Kwangtung requiring this information should, in order to save time, apply to the Kowloon Commissioner, who will be notified daily of the rates to be enforced.

7.—Finally, I have to inform you that, having received inquiries from the Commissioners at several ports concerning the limit to be set to the amount of silver dollars which *bona fide* passengers for abroad may carry with them free of duty, I suggested that a maximum of \$50 should be fixed for this purpose. From the appended copy of Kuan-wu Shu telegram No. 1728 dated the 29th October 1934 you will see that my proposal has met with the approval of the Minister of Finance. You are accordingly requested to be guided by these instructions and to issue a joint notification with the Superintendent. A telegram notifying the issue of this new ruling was sent on the 30th October to ports affected.

If experience at a port should show that unfair advantage is being taken of this privilege of each passenger being allowed to take up to \$50 out of the country by regular steamer runners carrying up to the full amount allowed on each occasion, or in any other way, you are requested immediately to report the fact, so that I may make further recommendations to the Government with a view to conserving the national currency.

8.—I append, for purposes of record, the formula according to which the Central Bank of China at Shanghai determined the silver equalisation charge of  $4\frac{3}{4}$  per cent for the 15th October 1934.

I am, etc.,

L. H. LAWFORD,  
*Officiating Inspector General, ad interim.*

## ENCLOSURE No. 1.

財政部關務署電第一七一〇號中華民國二十三年十月十五日

羅代總稅務司覽頃奉部代電內開爲維持國際匯價平衡起見茲制定銀出口稅稅率如下（一）銀本位幣及中央造幣廠條徵出口稅百分之十減去鑄費百分之二點二五淨徵百分之七點七五（二）大條寶銀及其他銀類加徵出口稅百分之七點七五合原定百分之二點二五共爲百分之十如倫敦銀價折合上海匯兌之比價與中央銀行當日照市核定之匯價相差之數除繳納上述出口稅而仍有不足時應按其不足之數並行加徵平衡稅即自本月十五日起一律施行飭即轉令各關一體遵照辦理等因除分行外合亟電仰遵照轉飭各海關一體辦理關務署署長沈咸印

財政部關務署電第一七二八號中華民國二十三年十月二十九日

羅代總稅務司覽號電悉經函准錢幣司復稱陳奉部座面諭旅客出洋每人攜帶銀元數目以五十元爲限等因屬轉行遵照過署仰即分行各關遵辦署長沈豔印



## ENCLOSURE No. 2.

To find the theoretical parity between standard dollars and sterling at given price of silver in London.

*N.B.*—In the following calculations 1 oz. (troy) is taken as being 31.1035 grammes, and silver of London standard as being 925 fine.

*St.* \$1.00 contains 23.493448 grammes pure silver (Circular No. 4583).

$\therefore$  *St.* \$1.00 contains  $\frac{23.493448}{31.1035}$  oz. pure silver.

$\therefore$  *St.* \$1.00 contains  $\frac{23.493448}{31.1035 \times .925}$  oz. silver, London standard = .81657441 (constant).

If 1 oz. silver, London standard, is worth  $24\frac{3}{8}d.$  (rate of 15th October 1934), ? *d.* = *St.* \$1.00.

*St.* \$1.00 =  $24.375 \times .81657441d.$  =  $19.904d.$  =  $1/7\frac{1}{8}$

To find exchange equalisation charge on 15th October 1934.

*St.* \$1.00 @ theoretical parity (see above) . . . . . =  $1/7\frac{1}{8}$

*St.* \$1.00 @ rate officially fixed by Central Bank =  $1/5\frac{3}{4}$

Difference =  $2\frac{3}{8}d.$

= 12.3239 % of  $1/5\frac{3}{4}$  =  $12\frac{1}{2}$  %

Duty on Mint bars and silver dollars =  $7\frac{3}{4}$  %

Difference (= exchange equalisation

charge) . . . . . =  $4\frac{3}{4}$  %

## CIRCULAR No. 4978 (SECOND SERIES).

**Smuggling: posting of non-duty-paid foreign goods at inland frontier post offices: introduction of new scheme for Customs control of, notified; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 17th November 1934.

SIR,

1.—With reference to Circular No. 4831:

Smuggling: posting of non-duty-paid foreign goods at frontier post offices: co-operation to be extended by Postal Authorities; instructions:

I have now to inform you that the experimental procedure by which Customs officers have been stationed at certain inland post offices situated on or in the vicinity of the frontiers for the purpose of examining parcels suspected to contain non-duty-paid foreign goods having been shown to be only partially effective in that it has resulted in the illegal trade being diverted to other inland post offices at which Customs control is not exercisable, the Postal Authorities have now issued instructions that from the 16th November 1934 all parcels, with the exception of those addressed to places at which Customs examination can be performed before delivery, posted at any of the offices shown in the list enclosed in this Circular are to be forwarded for examination *à découvert* to the nearest post office at which the Customs function on the route which such parcels would normally follow. A list of the places at which Customs examination of postal parcels may take place, and to which, therefore, parcels posted at the inland post offices specified may be forwarded in sealed bags, has been supplied to the Postal Authorities, and a copy thereof is enclosed in this Circular for your information. It has been made clear to the Postal Authorities, however, that the procedure by which parcels are enclosed in sealed bags is only operative when the post office of delivery at destination is the post office at which the Customs function, and that it is not applicable when the former is an office or sub-office in the district of place of destination, *e.g.*, the many offices and sub-offices in the environs of Shanghai or Foochow.

2.—With the introduction of this procedure the suppression of the distribution of illicit goods through the agency of the post offices within the controlled areas should be complete, since a close scrutiny of the parcel way bills and selection of parcels for examination at

the post office at which the Customs function should ensure that little escapes us. It is not intended to interfere, of course, with through parcels which there is no reason to suspect of containing non-duty-paid foreign goods, and it is essential that, when examination does take place, Customs formalities shall be performed with promptitude and all possible steps taken to avoid delay to normal *bona fide* postal traffic. The Customs will assume responsibility for the opening, closing, and sealing of every through parcel examined and for the contents thereof, but, in order that there may be some one unconnected with the Customs to testify to the action taken in respect of any particular parcel, should the necessity subsequently arise, it has been arranged with the Postal Authorities that these formalities shall be performed in the presence of a post office official in the capacity of witness. On conclusion of examination of a parcel the relevant Customs Declaration form and the parcel way bill are to be stamped with the Customs seal, and both documents are to be initialled by the Customs examining officer and counter-initialled by the post office official present at the examination. Parcels found to contain foreign goods, which are suspected to have been smuggled, are to be detained, and the sender or, in the case of parcels examined at destination, the addressee is to be informed that, unless proof of payment of import duty is produced within a reasonable time-limit, the goods will be confiscated.

3.—A study of the list of inland post offices at which the new procedure is to be introduced will reveal that the controlled areas embrace the whole of the Kwangtung and Fukien coasts to varying depths inland, the island of Hainan, the sector of Shantung covering the promontory, the Chefoo and Lungkow districts, and that part of the coast bordering the greater part of Laichow Bay, the coast from south of Tientsin to Shanhaikwan, and also the district within the Great Wall from Shanhaikwan to a place north of Nankow. The omission from the scheme of the coastal provinces of Chekiang and Kiangsu and parts of the Shantung and Hopeh coasts is due to the fact that hitherto there has been no indication of the inland post offices in these districts having been used to any great extent for the posting of non-duty-paid foreign goods to other destinations, and it is desirable in postal and public interests that Customs control over inland parcel traffic should be confined to the minimum compatible with the due protection of the revenue. Provision has been made in the agreement with the Postal Authorities, however, for the scheme to be amended and/or for the procedure to be extended to other districts should experience show such a course to be necessary later, and Commissioners in uncontrolled areas are

requested, therefore, to watch for any developments of the illicit traffic in their districts and to report immediately should such developments take place.

4.—As soon as it has been ascertained that the procedure meets Customs requirements in the matter of control, officers appointed to inland post offices under the scheme notified in Circular No. 4831 are to be withdrawn, and the instructions of that Circular, including the provision for payment of rewards to the post office in respect of smuggled goods found in parcels posted at inland post offices and confiscated, are henceforth to be considered as cancelled.

5.—A circular telegram giving the outline of the new procedure to be enforced on 16th November was despatched to all ports on 14th November 1934.

I am, etc.,

L. H. LAWFORD,  
*Officiating Inspector General, ad interim.*

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CIRCULAR No. 4982 (SECOND SERIES).

**Interport duty: native goods shipped from Lao-yao to an open port  
*via* another open port are—if not discharged *en route*—to be  
exempt from; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 26th November 1934.

SIR,

With reference to Circulars Nos. 4599 and 4684:

Instructing that native goods shipped from a treaty port to an inland place, or *vice versa*, by an I.W.S.N. steamer calling at or passing through the port limits of another treaty port *en route* are to be charged interport duty:

I have now to append, for your information and guidance, copy of correspondence with the Kuan-wu Shu, from which you will see that the Lung-Hai Railway Administration, having opened a harbour at Lao-yao (老 窑)—an inland place near Haichow—and being desirous of encouraging trade from that place, have, through the Ministry of Railways, requested the Ministry of Finance to make

a ruling that all native goods shipped from Lao-yao to an open port by a steamer under I.W.S.N. Certificate are to be exempt from interport duty even though another open port is passed *en route*, provided that the goods in question are not discharged till they reach the open port for which they have been declared (Kuan-wu Shu despatch No. 14098 to Inspector General). The matter was submitted to me for my opinion, and in reply I pointed out that whether the railway's request should be granted or not is a fiscal question for the Ministry of Finance to decide, but that, whatever arguments there might be in favour of granting such a request, similar arguments could be adduced for the exemption from interport duty of native goods conveyed from other inland places as well as Lao-yao to a treaty port *via* another treaty port, and that, if the request were granted in this case, it would be unfair not to grant it in others. I, therefore, counselled delay until the question of the abolition of interport duty should be settled (I.G. despatch No. 6438 to Kuan-wu Shu). As you will notice, the Ministry have decided that the privilege asked for by the Lung-Hai Railway is to be granted (Kuan-wu Shu despatch No. 14690 to Inspector General), and I have accordingly to notify you that native goods shipped from Lao-yao by a steamer under I.W.S.N. Certificate to any open port *via* another open port, without being discharged *en route*, are to be exempt from interport duty.

The Kiaochow Commissioner has already been instructed to move the Haichow Maritime Customs station at Hsin-p'u (新浦) to Lao-yao. It will be the duty of that station to examine and check all native goods to be shipped by I.W.S.N. steamers to open ports, and to issue to each shipment a Permit giving all necessary details, such as number of, and marks on, packages, nature and value of the goods, name of vessel, name of shipper, and open port of destination. A duplicate of this Permit is to be sent by post to the Customs at the open port for which the goods have been declared, so that an effective check may be kept on all such shipments. As a safeguard against possible discharge *en route* and subsequent clandestine shipment abroad, the Haichow station will take for each shipment from the merchant, shipper, or shipping agent a bond guaranteeing payment of five times the export duty leviable in case the goods concerned do not reach the open port for which they have been declared.

I am, etc.,

L. H. LAWFORD,  
*Officiating Inspector General, ad interim.*

## ENCLOSURE.

財政部關務署訓令政字第一四〇九八號中華民國二十三年九月五日

令代理總稅務司羅福德

奉

部發下鐵道部咨開：

「案據隴海路局呈稱：『竊查本路幹綫東起連雲，西訖蘭州，在地理上負開發西北之重要使命，是以近年來對於潼西段之展築，及連雲港之開闢，均仰體政府意旨，積極進行，惟是連雲關港以後，在在皆與海關發生密切之關係，其一切章程，必須遵守，查海關法規彙編第十三章第五條第十一項規定，凡內港船隻所裝之土貨，運經該船核准航線內所經之另一通商口岸時，應在起運口岸海關照完轉口稅，是將來由連雲運往天津或廣州之貨物，如裝載輪船在青島或上海等處停留裝卸貨物時，對原裝未卸繼續前運之貨物，仍須徵收轉口稅，加重西北出口貨物之負擔，似非我政府及鈞部獎勵開發西北貨物輸出之本旨，連雲爲新開良港，欲其繁榮發達，似應特予提倡，以期早收功效，擬請轉咨財政部規定，凡由連雲港輸出土貨，經過國內各通商口岸沿途並不卸載者，概予免徵轉口稅，藉示獎勵而資促進』等情據此，查該路所請係爲便利商運及開發西北起見，相應咨請查核辦理，並希見復爲荷。」

等因，查該路前在老鑿建築臨時碼頭時，曾由鐵道部於二十一年五月間，咨請暫緩設關徵稅，當經本部以「將來該項碼頭築成以後，海關在該處自有設立分卡必要，爲維持路政起見，除照章禁止往來外洋之輪船由該處出入，及帆船由該處運往外洋之土貨，與由外洋運入該處之洋貨，應分別徵收進出口稅外，所有由該處往來國內各地之土貨，無論輪運帆運，概免徵稅，以示提倡，」等語，咨復鐵道部，請於該處碼頭建築完成時，知照本部，俾便轉飭海關，添設分卡，遵照上項辦法辦理，並由本署於第七三六四號令轉飭該署知照各在案，是上項辦法之實行，須在該處碼頭完成，海關分卡設立以後，茲准前因，如當該處碼頭未完成，海關分卡未設立以前，即准凡由該處輸出之土貨，經過國內各埠，概免徵收轉口稅，是否可行，有無流弊，合行令仰該代理總稅務司迅即審議具復，以憑核辦，此令。

總稅務司呈關務署文第六四三八號 中華民國二十三年九月二十二日

### 案奉

鈞署政字第一四〇九八號訓令，以奉

部發下鐵道部咨，據隴海鐵路局呈，以該路幹線，東起連雲，西訖蘭州，負開發西北之重要使命。惟連雲關港以後，與海關發生關係，查海關法規規定，凡內港船隻所裝之土貨，運經另一通商口岸，即須在起運口岸海關照完轉口稅，加重西北出口貨物之負擔，擬請轉咨財政部規定，凡由連雲港輸出土

貨，經過國內各通商口岸沿途並不卸載者，概予免徵轉口稅，藉示獎勵而資促進等情。轉請核辦到部。查該路前在老窰建築臨時碼頭時，由鐵道部咨請暫緩設關徵稅。經部以將來該項碼頭築成以後，海關在該處自有設立分卡必要，爲維持路政起見，除照章禁止往來外洋之輪船由該處出入，及帆船由該處運往外洋之土貨，與由外洋運入該處之洋貨，應徵進出口稅外，所有由該處往來國內各地之土貨，無論輪運帆運，概免徵稅，以示提倡等語咨復。並於本署第七三六四號令轉飭知照在案。是上項辦法之實行，須在該處碼頭完成，海關分卡設立以後。如當該處碼頭未完成，海關分卡未設立以前，即准凡由該處輸出之土貨，經過國內各埠，概免徵收轉口稅，是否可行，有無流弊，合行令仰審議具復，以憑核辦等因。奉此，

遵查隴海路局請在連雲港碼頭尙未完成海關分卡尙未設立以前，凡由該處輸出運往通商口岸之土貨，沿途經過其他通商口岸，並不卸載者，概予免徵轉口稅一節，係爲關稅徵免問題，究竟應否照准，自須由

財政部核奪。但希望此種特惠待遇者，不限於連雲港一處，國內其他地方，冀獲此同等利益者甚多。倘對於連雲港特予照准，無論根據何種理由，亦係特開先例，他處地方自不難舉出類似理由相繼援案要求，屆時此允彼駁，固非持平，若悉予照准，又將別有窒礙。



竊謂此項問題，與取消轉口稅之議確有密切關係。現國內土產貿易，均極不振，甚至奄奄一息，勉強圖存。在政府決定取消轉口稅以前，各地土貨，既均須照完轉口稅，則隴海路線內之土產貿易，似亦不應獨在例外。況轉口稅之取消，祇在時期問題，當此行將通免之際，若對於連雲港開一免稅特例，似非所宜。

所有奉令審議緣由，是否有當，理合備文呈請

鑒核。

謹呈

財政部關務署長沈

財政部關務署指令政字第一四六九〇號中華民國二十三年十月三十一日

令代理總稅務司羅福德

呈一件遵飭查明連雲港輸出土貨在轉口稅未取消以前未便特開先例呈請鑒核由

呈悉，此案業奉

部座面諭，准予維持前次原案，凡由連雲港輸出土貨，經過國內各通商口岸，沿途並不卸載者，概免徵收轉口稅，除由部咨復鐵道部查照飭遵外，仰即轉飭遵照，再該港工程，既已漸次就緒，貨運亦可望發達，海州分卡自可提前移設該處，以便管理，並仰遵照，此令。

## CIRCULAR No. 4998 (SECOND SERIES).

**Customs Penalty Board of Inquiry and Appeal: rules governing organisation and procedure of, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 19th December 1934.

SIR,

1.—With reference to Circular No. 4913:\*

Circulating the text of the Customs Preventive Law, which was promulgated on the 19th June 1934:

and particularly to Article 31 of the Law:

Which provides, *inter alia*, for the establishment by the Kuan-wu Shu of a Customs Penalty Board of Inquiry and Appeal, the regulations governing the organisation and procedure of which shall be drawn up by the Executive Yüan:

I have to inform you that the Customs Penalty Board of Inquiry and Appeal has been duly constituted by the Kuan-wu Shu in accordance with the regulations drawn up by the Executive Yüan governing its organisation, copy of which, with English version, is appended hereto.

2.—A set of rules governing the functions of the Board was formulated at the inaugural meeting held at Nanking on the 24th November 1934, and from Kuan-wu Shu despatch No. 15070, copy of which I now circulate for your information and guidance, you will see that the rules of procedure, together with the forms on which appeals are to be made and decisions communicated, have been approved by the Ministry of Finance and submitted to the Executive Yüan for record. An English version of the rules is appended.

3.—As the rules drawn up by the Board concern only the manner in which the Board's business shall be conducted, it is necessary that supplementary instructions be issued in regard to the actual filing of protests. The following procedure is therefore to be observed:—

- (1) The protest shall be drawn up in Chinese on the standard form of appeal (form [C.—62]), which shall be supplied to the merchant on application at the

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\* *Antea*, vol. v, p. 407.

Custom House. If the space provided on the form is found to be insufficient to record all necessary details, an additional sheet may be used.

- (2) The merchant shall file his protest with the Customs in triplicate within 10 days from the date of receiving the Commissioner's written decision.
- (3) If the protest is not sustained, the Commissioner shall, within 10 days of receiving the protest, forward two copies of the appeal to the Inspector General under cover of an official despatch, accompanied by a Chinese version in duplicate. He shall also set forth in Chinese the full particulars of the case and his reasons for not sustaining the protest in the "Remarks" column of the appeal form prescribed for this purpose.
- (4) The decision of the Kuan-wu Shu will be communicated to the Commissioner through the Inspectorate on the standard form of decision (form [C.—63]) in triplicate, one copy of which shall be forwarded to the appellant and the other filed in the Custom House concerned.

4.—Although not specifically mentioned in the rules, it is to be understood that I shall reserve the right to reverse Commissioners' decisions and to sustain protests without reference to the Board. An appeal, therefore, will be forwarded to the Board only if the Commissioner's decision is upheld at the Inspectorate.

5.—The Statistical Secretary is being instructed to arrange for copies of the forms of appeal and of decision to be printed and to supply a quantity of the former to each port.

6.—The formation of the Customs Penalty Board of Inquiry and Appeal, the regulations governing its organisation, the rules of procedure governing its functions, and the manner in which protests are to be filed are now to be made known to the public by means of a notification issued in conjunction with the Superintendent.

I am, etc.,

L. H. LAWFORD,

*Officiating Inspector General, ad interim.*

## ENCLOSURE.

## 海關罰則評議會組織規程

第一條 本會依照海關緝私條例第三十一條之規定由財政部關務署組織之

第二條 本會評議員由關務署長於本署職員中指定三人總稅務司署職員中指定二人充任

第三條 海關稅務司遇有商人向該關請求撤銷罰金或沒收處分案件認為無理由者應於收到此項

請求書十日以內敘述理由連同原請求書呈經總稅務司轉呈關務署交會評議

第四條 本會對於關務署交議案件如無調查必要者應於十日內開會評議以有評議員四人出席為

足法定人數

第五條 本會評議結果經關務署決定後發生效力

第六條 本規程自公布之日施行

RULES GOVERNING ORGANISATION AND PROCEDURE  
OF THE CUSTOMS PENALTY BOARD OF INQUIRY  
AND APPEAL.

1.—The Board shall be organised by the Kuan-wu Shu of the Ministry of Finance in accordance with the provision of Article 31 of the Customs Preventive Law.

2.—The Board shall be composed of three members on the Kuan-wu Shu staff and two members on the Inspectorate staff to be selected by the Director General of the Kuan-wu Shu.

3.—Should a merchant protest in writing against a decision made by the Commissioner of Customs either in respect of a fine inflicted or of goods confiscated, and if this protest is not sustained, the Commissioner shall, within 10 days from the date of receiving such protest, refer the case to the Inspector General of Customs, giving the reasons for his action and at the same time forwarding a copy of the original protest for submission to the Board for decision.

4.—If the Board considers no investigation is necessary in regard to a case submitted through the Kuan-wu Shu, a meeting shall be held within 10 days to inquire into the matter. It shall require the presence of four members of the Board to constitute a quorum.

5.—The decision of the Board shall take effect after having been approved by the Kuan-wu Shu.

6.—The above rules shall come into force from the date of their promulgation.

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## CIRCULAR No. 5006 (SECOND SERIES).

**Inspector General: Sir Frederick Maze, Inspector General,  
resumes charge of Customs Service.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 7th January 1935.

SIR,

With reference to Circular No. 4817:\*

Inspector General: Sir Frederick Maze, Inspector General,  
hands over temporary charge of Customs Service to  
Mr. L. H. Lawford, Chief Secretary, appointed  
Officiating Inspector General, *ad interim*:

I have to inform you that I have resumed charge of the Service  
from this date.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Antea*, vol. v, p. 352.

## CIRCULAR No. 5026 (SECOND SERIES).

**Silver: regulations governing movements of, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 29th January 1935.

SIR,

With reference to Circulars Nos. 4667, 4883, 4957, 4971,\* 4972, 5003, 5012, and 5013, to I.G. circular telegrams of the 22nd November, 27th November, 10th December 1934, and 12th January 1935, and to I.G. telegram of 15th December 1934 to coast ports:

Conveying instructions regarding the movement of silver abroad and coastwise:

I now append, for your information and guidance, copy of various regulations received from the Government, from which you will see that existing rules governing the movement of silver can be summarised as follows:—

1. *Movements within China of Silver Dollars.*

- (a) Silver dollars shipped coastwise from an open port must in every instance be covered by Ts'ai-chêng Pu Huchao (Kuan-wu Shu despatch No. 14934 and I.G. circular telegram of 22nd November 1934);
- (b) Shipments of silver dollars exceeding \$1,000 in value from places where there is no Custom House may be passed on production of a certificate issued by the Chamber of Commerce or Bankers' Association at the place of shipment, provided they have not been transhipped at an open port passed *en route*, i.e., no Ts'ai-chêng Pu Huchao need be required so long as the shipments remain in the vessel (or train) on which they were originally loaded (Ts'ai-chêng Pu despatch No. 10858, Rule No. 4);
- (c) Shipments of silver dollars exceeding \$1,000 in value from places where there is no Custom House may, however, be passed without production either of Huchao or of certificate, provided they have not been

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\* *Antea*, vol. v, p. 450.

transhipped at an open port *en route*, and provided the route followed lies entirely in the interior of China (*i.e.*, provided no part of the route touches a point on the coast or land frontier) (Ts'ai-chêng Pu despatch 滬錢 No. 10);

- (d) Shipments of silver dollars not exceeding \$1,000 in value from all places where there is no Custom House may be passed without restriction subject to the provision laid down in paragraph (b);
- (e) Failure to produce the requisite Huchao or certificate called for in paragraphs (a) and (b) will entail confiscation of the shipment in question.

2. *Coastwise Movements of Silver Suitable for Minting.*—*Vide* Circular No. 4883, the instructions of which still remain in force.

3. *Movements of Silver to Manchuria.*

- (a) Silver dollars and silver in any form suitable for minting when consigned to Manchuria (including Jehol) by land, or when shipped to places in Manchuria (excluding Dairen) by sea, must be covered by Ts'ai-chêng Pu Huchao, in the absence of which the consignment is to be confiscated (Kuan-wu Shu despatch No. 15019 and I.G. circular telegram of the 27th November 1934);
- (b) Foreign silver coins (Circular No. 5003) and silverware (Circular No. 5012) consigned to Manchuria (including Jehol but excluding Dairen) must likewise be covered by Ts'ai-chêng Pu Huchao;
- (c) Shipments of silver in any form to Manchuria (excluding Dairen) are to be treated as coastwise movements, and duty is accordingly leviable on silverware at the rate laid down in the Interport Tariff.

4. *Shipments of Silver Abroad and to Dairen.*—Silver in any form shipped abroad or to Dairen is dutiable in accordance with the instructions of Circulars Nos. 4971, 5003, and 5012.

5. *Silver Dollars carried by Passengers and the Crews of Vessels.*

- (a) Passengers travelling coastwise to places in China (excluding those proceeding to regions where Chinese standard dollars are not current) may carry with them up to 1,000 silver dollars each;



- (b) Passengers and officers and crews of vessels proceeding abroad, or from open port to open port *via* a foreign port, or to regions where Chinese standard dollars are not current, are forbidden to carry any silver dollars with them (Kuan-wu Shu despatch No. 15473 and I.G. circular telegram of the 12th January 1935).

The expression "regions where Chinese standard dollars are not current" is to be understood to include Manchuria and Dairen, but no mention of this fact is to be made when notifying the public of these rules (Kuan-wu Shu despatch No. 15503).

- (c) Passengers and officers and crews of vessels proceeding abroad, or to Manchuria or Dairen, or from open port to open port *via* a foreign port, are also forbidden to carry with them any subsidiary silver coins (Kuan-wu Shu Tai-tien No. 2394).

6. *Rewards and Informants' Fees for, and Disposal of, Seizures of Silver.*—*Vide* the instructions of Circular No. 5013.

7. *Customs Examination of Shipments of Silver Dollars.*—The only consignments of silver dollars that are entitled to exemption from Customs examination are those shipped by the Central Bank under cover of 財政部特准中央銀行運送現洋長期專照 (Kuan-wu Shu despatch No. 15250 and Circular No. 4667).

You are requested to act in accordance with the foregoing regulations and to note that previous instructions, wherever they conflict with the rulings of the present Circular, are to be considered as cancelled.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

財政部關務署訓令政字第一四九三四號中華民國二十三年十一月二十一日

令代理總稅務司羅福德

查銀幣運輸國內各處，各銀行向部請發運現護照者，由關免驗放行，其無護照者，則須由關查驗，始能放行，茲爲嚴密考核運輸，俾免流弊起見，規定嗣後各銀行，欲於國內運輸整箱現幣，皆須向部請發護照，各關遇有報運現幣者，務須驗明本部護照，方准起運，不得稍有疏忽，如無護照運輸者，概以私運論，貨物照章沒收，再爲嚴厲取締偷運起見，此項緝私之獎金，准予照章加倍發給，以勵查緝，以上辦法，業由本署簽奉部座諭「照辦」等因，自應通行各關，一體遵照辦理，除分令外，合行令仰該代理總稅務司遵照。此令。

財政部訓令錢字第一〇八五八號中華民國二十三年十二月二十六日

令總稅務司

查運現須請本部核發護照，業已行之多年，近爲防止輾轉偷運出口起見，又經令飭各關必須憑照驗放，無照不得私運，惟查銀本位幣，國內仍應以自由流通爲原則，現值土產登場之際，往來運輸尤應予以便利，茲規定領照辦法如次，

一、首都上海區域內銀錢業行號暨普通商號請領運現護照時，仍向本部請領，但銀行須附銀行業公會保結，錢莊附錢業公會保結，商號附市商會保結，外商銀行請由中央銀行轉請核發。

二、首都上海區域以外各地方，准各關監督向部預領空白運現護照，就近核發，按旬將運往地點數目列表報部查核，原照用畢並應繳部驗銷，所有照費暨照上應貼印花，仍照定章辦理。

三、銀錢業行號暨普通商號向就近關監督請領運現護照時，須備有當地商會或銀錢業公會保結，該關監督查核明確，即予照發，如有互相勾結假藉此項護照偷運出口情事，一經查明，將該監督撤懲，領照行號及具結機關依照偷運出口處罰辦法辦理。

四、無海關地方，運送銀幣數目在一千元以上者，應由當地商會或銀錢業公會出具證明書，以備沿途關卡及軍警稽查時呈驗。

五、各項保結，應擔保確係國內往來，商業正當用途並無輾轉偷運出口情事，違則連帶負責，證明書應證明運送數目地點及確實用途，並無輾轉偷運出口情事，違則連帶負責。

以上五項，係就現行辦法，量予變通，俾法令商情，兼籌並顧，即日試辦，其無照私運或未攜有當地商會或銀錢業公會證明書者，仍應依照舊案辦理，除分別咨令外，合行令仰遵照轉飭所屬一體遵照。

此令。

財政部訓令滬錢字第十號 中華民國二十四年一月十一日

令總稅務司

查運現必須請領護照原爲防止輾轉偷運出口起見本部前以舊定領照辦法只限於銀行請領普通商號不得領用又護照僅由部核發偏遠地方頗感不便特爲顧念商情量予變通規定領照辦法五項以資便利業經令仰該總稅務司遵照並分別咨令通行在案茲據上海市銀行業同業公會呈稱查內地運現不至偷運出口現值商家大結束期將屆內地運現往來頻繁請予變通除沿海沿邊各地方仍遵原定五項辦法外其餘內地各埠運現往來准其自由流通免予領照檢查祈鑒核示遵等情查所呈各節尙屬實情值此大結束之期內地往來運輸頻繁自應予以便利免至延誤事機姑准除沿海沿邊各地方運現領照仍照原定辦法五項辦理外所有內地運現往來暫將原定辦法第四項停止執行以示格外顧重商情之至意除指令該會知照並分別咨令外合行令仰遵照轉飭所屬一體遵照

此令

財政部關務署指令政字第一五〇一九號 中華民國二十三年十一月二十八日

令代理總稅務司羅福德

六七八號呈一件爲擬具由各口運往東省各處銀幣及其他銀類之禁運辦法請核示由

呈悉。察核所擬辦法，原係根據本署第二三二三號代電所擬訂，惟條文應修改爲

(一) 凡由陸路運往東省各處之銀幣，及其他可供鑄幣之銀類，非持有財政部護照，不准運往，鈔票及其他票據，不在此例，其各商旅每人攜帶現幣，以五十元爲限。

(二) 凡由水路運往東省各處(除大連外)之銀幣，及其他可供鑄幣之銀類，非持有財政部護照，不准運往，鈔票及其他票據，不在此例，其各商旅每人攜帶現幣，以五十元爲限。

仰卽轉行遵照。此令。

財政部關務署指令政字第一五四七三號中華民國二十四年一月十日

令總稅務司梅樂和

呈一件爲擬具禁止出口赴外洋或中途經過外國口岸及開赴東三省大連之輪船所載旅客水手攜帶銀

元辦法呈祈鑒核示遵由

呈悉。除關於旅客攜帶國幣，前往國內（向不行用本位銀幣地方除外）各地者，仍以每人一千元爲限外，餘由部另定辦法三項如次。

一、出洋旅客概不准攜帶國幣。

二、由本國口岸，中途經過外國口岸，而至另一本國口岸之旅客，及赴向不行用本位銀幣各地方之旅客，概不准攜帶國幣。

三、無論出口赴外洋及赴其他向不行用本位銀幣地方，或由本國口岸，中途經過外國口岸，而至另一本國口岸之輪船，所有船員水手，一律禁帶國幣。

除已由部通令各關監督轉飭各該關稅務司遵照外，合行指令知照。再本部並無禁銀出口明令，而來呈有目今政府禁銀出口，不啻三令五申等語，係屬誤會，應加注意，並仰遵照。此令。

財政部關務署密令政字第一五五〇三號 中華民國二十四年一月十四日

令總稅務司梅樂和

案查關於旅客及船員水手攜帶國幣一事前經由部核定辦法以第一五四七三號署指令飭遵在案茲查部定辦法內所謂向不行用本位銀幣各地方係包括大連東三省在內合行密令該總稅務司知照但刊發佈告時仍應照部定辦法條文繕寫並仰遵照此令

財政部關務署代電第二三九四號 中華民國二十四年一月八日

上海羅代理總稅務司覽條電悉經函准錢幣司復稱「查本部於二十年九月間令發之取締運輸銀角通行辦法注重在取締輕質劣角現仍應照舊辦理總稅務司請示各關緝獲私運銀角如何處罰電內所引貴署政字第一五一二八號訓令自係指偷運出口而言現在旅客出洋及出洋輪船之水手船員既一律不准攜帶銀元則出洋旅客前赴東三省大連之旅客與由本國口岸中途經過外國口岸而至另一本國口岸之旅客及船員水手攜帶銀角亦應同樣禁止以杜流弊各海關如查有私帶銀角出洋者應准依照偷運銀幣銀類出口獎懲辦法辦理相應函復查酌轉飭總稅務司通行遵照並佈告周知」等因合行電仰知照署長沈齊印

財政部關務署訓令政字第一五二五〇號中華民國二十三年十二月二十二日

令代理總稅務司羅福德

奉

部長發下通令各海關監督文一件內開，

「案查

國民政府頒發之運送鈔幣專用長期免驗護照，專備沿途軍警稽查時免驗放行而設。原規則第二項規定極為明晰。至本部准運現幣專用護照，專為准許國內運送現幣之用，兩者性質不同，作用各別。嗣後各關卡稽查人員及輪埠車站軍警對於運送現幣，應憑本部准運專照查驗放行，如同時持有

國府免驗護照者，軍警得予免驗。至本部特准中央銀行運送現洋長期專照係專為中央銀行運送現洋之用，併應驗照放行，除分別咨令外，合行令仰該監督轉知該關稅務司飭屬遵照。此令。」

等因。合行令仰該代理總稅務司遵照。

此令。



## CIRCULAR No. 5040 (SECOND SERIES).

**Customs Service: Kuan-wu Shu: Mr. Loy Chang appointed Acting  
Director General of Kuan-wu Shu, informing.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 14th February 1935.

SIR,

With reference to Circular No. 4508:

Customs Service: Kuan-wu Shu: Mr. Shên Shu-yü  
appointed Director General of Kuan-wu Shu:

I have now to circulate, for your information and guidance, copy of Kuan-wu Shu despatch No. 15763, from which you will see that Mr. Loy Chang (鄭萊) has been appointed Acting Director General of the Kuan-wu Shu.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

ENCLOSURE.

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財政部關務署訓令總字第一五七六三號  
中華民國二十四年二月七日

令總稅務司

案奉 部令二十四年一月三十一日祕字第一〇五六號內開茲派鄭萊代理本部關務署署長此

令等因奉此除呈報並分行外合行令仰知照並轉飭一體知照此令

## CIRCULAR No. 5048 (SECOND SERIES).

Maritime Customs stations and barriers at Great Wall passes: establishment of stations at Kupeik'ou, Hsifengk'ou, Lengk'ou, Chiehlingk'ou, and Yiyuank'ou and of barrier at Panchiak'ou, notifying.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 22nd February 1935.

SIR,

With the developments in Manchuria during recent years, the Shanhaikwan-Kalgan section of the Great Wall threatened to become an active smuggling front unless steps were taken to extend Customs control to prevent the clandestine importation of foreign goods through the various passes. That no immediate action was taken was due for the most part to the uncertainty of the situation generally, but in the latter part of 1933 I selected Mr. Chang Yung Nian,\* Acting Deputy Commissioner (2nd Assistant, B), to conduct a thorough investigation into the conditions of trade along the Great Wall from Shanhaikwan to Kalgan, and on the basis of his report, which has been printed as a Service publication (V.—Office Series: Customs Papers No. 129), it was recommended to the Government that movements of trade through the Great Wall should, as far as possible, be restricted to passes at which the Customs function, and that stations should be opened at Kupeik'ou (古北口), Hsifengk'ou (喜峯口), Lengk'ou (冷口), Chiehlingk'ou (界嶺口), and Yiyuank'ou (義院口).

These recommendations were approved, and the stations together with a barrier at Panchiak'ou (潘家口), to control junk traffic on the Luan River, were opened towards the end of last year. The actual administration of the new establishments has been placed in the hands of a specially appointed Deputy Commissioner, resident

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\* Chang Yung Nian, a native of Peiping, in Hopeh, was born on the 24th April 1893. He was educated at the Customs College, Peking, and joined the Service on the 13th July 1916 as a Chienhsi, with seniority from the 1st October 1912. He was appointed to Newchwang, where on the 1st October 1917 he was made 3rd Clerk, C. After two years' service at Newchwang and two years at Harbin he was transferred to the Inspectorate at Peking, where he remained for five years, and where he was promoted to Assistantship rank. From September 1925 to September 1929 he was stationed at Chefoo. During 1930 he was on duty in the Yangyu Native Customs, and from April 1931 to January 1934 he was at Shanghai in the Appraising Department and on special duty. From the latter part of 1934 he has been occupied in preventive work along the Great Wall and in the Tientsin area. He was promoted Deputy Commissioner on the 1st January 1938.

at Peiping but under the control of the Tientsin Commissioner, with the title of Deputy Commissioner in charge of the Great Wall Stations.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

### SEMI-OFFICIAL CIRCULAR No. 115.

**Superintendents: Commissioners' relations with. When Superintendent disagrees with Commissioner, former's wishes prevail pending Government's decision; attention to Circular instructions invited.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 15th March 1935.

SIR,

A case occurred recently where a Superintendent declined to be a joint signatory with the Commissioner in respect of a certain Notification to the public, and the Commissioner thereupon issued the Notification himself. While it seems that the latter had reason to suppose that the Superintendent would raise no objection to his action, I nevertheless deprecate such a departure from the general principles which have frequently been circularised in the past for the guidance of Commissioners in their relations with Superintendents, and it is apparently desirable for me to invite attention to § 4 of Circular No. 8 of 1864,\* Circular No. 24 of 1873,† Circular No. 1265‡ and S/O Circular No. 66.§ It is essential to remember that when differences between Superintendents and Commissioners cannot be settled locally, the Superintendent's views are to be acted on pending the Government's decision.

A Chinese version of this Circular is appended for record.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

\* *Antea*, vol. i, pp. 36-47.

† *Antea*, vol. ii, p. 476.

‡ *Antea*, vol. i, pp. 311-324.

§ *Antea*, vol. iv, p. 272.

## ENCLOSURE.

海關總稅務司署機要通令第一一五號

令各關稅務司

查海關官制，監督與稅務司之設置，具有連帶關係，必平時無隔閡之虞，始臨事得和衷之益。倘政見未能一致，亦宜善謀解決，未可各行其是，致涉參差。近查某關稅務司擬刊發布告一件，監督拒絕會銜，該稅務司遂單獨布告，其時監督方面，對於單銜布告，雖竟如該稅務司所預料，未曾發生異議，但此等辦法究與歷次令飭辦法不合。／

卷查關於稅務司與監督宜如何維持友好關係，迭經歷任總稅務司於前清同治三年第八號通令，同治十二年第二十四號通令，光緒三十一年第一二六五號通令，及民國十九年第六十六號機要通令，剴切說明在案。所有各關稅務司自應遵循迭令辦理，彼此相維，遇事勿憚磋商，自可衷於一是。卽或有時意見互歧，未能就地解決，應卽暫照監督意志辦理，一面詳述己意，與其事之源委情形，呈候政府核奪，俾同官不致相背而馳，而已見仍有獨抒之地。除分令外，合亟令仰該稅務司遵照。

此令。

## CIRCULAR No. 5065 (SECOND SERIES).

**Silver bullion and standard silver dollars: importations of, from abroad in quantities containing not less than 500,000 ounces of silver: to be accorded special duty treatment on subsequent re-export abroad; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 23rd March 1935.

SIR,

1.—With reference to Circular No. 4971:\*

Regarding the levy of export duty plus an equalisation charge on silver shipped abroad:

I append, for your information and guidance, copy of Ts'ai-chêng Pu despatches Nos. 滙 錢 12 and 錢 13092, from which you will see that, in order to encourage the importation of silver into China, the Government have now issued the following instructions:—

- (1) When a consignment of silver bullion, or of standard silver dollars (*i.e.*, dollars containing 23.493448 grammes each of pure silver), is imported from abroad, the importer may request the Customs to register the importation and issue to him a certificate showing the quantity imported and the date of importation. Should it subsequently be necessary to re-export the silver abroad, the original importer may present this certificate to the Ts'ai-chêng Pu, who will issue, in exchange, an Export Duty Free Huchao (出口免稅護照), under cover of which an equivalent amount of silver bullion or standard silver dollars may be exported either in one consignment or divided into several shipments.
- (2) Shipments made under cover of the above-mentioned Huchao shall be liable to export duty at the rate of  $2\frac{1}{4}$  per cent *ad valorem* only, and shall be exempt from payment of the additional export duty and equalisation charge, the levy of which commenced on the 15th October 1934. Standard silver dollars and Central Mint bars, when exported in accordance with the procedure now introduced, shall, however, be passed free of duty.
- (3) The procedure specified above is applicable only to importations of silver bullion containing not less than 500,000 ounces of silver, or the equivalent of this amount in standard silver dollars.

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\* *Antea*, vol. v, p. 450.

2.—The public are to be informed of the above rules by means of a notification issued conjointly with the Superintendent.

3.—You are requested to act accordingly and to note that—

- (a) Certificates are to be issued bi-lingually, using the standard Service form for Certificates of Import, [C.—220], a supply of which has recently been issued to all ports by the Statistical Secretary. No fee is to be charged, and the words “Fee \$2. (證明書費國幣二元)” appearing on these printed forms should be struck out when issuing the certificates now called for.
- (b) A detailed record is to be kept of each importation in respect of which such certificates are issued, and full particulars are in each instance to be reported immediately to the Inspectorate by despatch, with Chinese version in duplicate.
- (c) Export Duty Free Huchao may be used to cover the shipment abroad, either in the form of bullion or standard dollars, of silver equivalent in amount, but not necessarily similar in form, to the original importation (*e.g.*, a Huchao issued in respect of silver bullion that has been imported may be used to cover the exportation of the equivalent in standard silver dollars, and *vice versa*).
- (d) The above regulations came into force as from the 19th February 1935, and ports may therefore issue certificates, upon request, in respect of any individual consignment of silver bullion or standard silver dollars containing not less than 500,000 ounces of silver imported on or after that date.
- (e) As one standard silver dollar contains 23.493448 grammes of pure silver and as 31.1035 grammes = 1 ounce, it follows that *Standard* \$661,961 contain approximately 500,000 ounces of pure silver. Importations of standard silver dollars of less than this amount are therefore not entitled to the special treatment outlined above.
- (f) The instructions of Circular No. 5026, § 4, are to be modified accordingly.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

財政部令滬錢字第十二號 中華民國二十四年二月十八日

令總稅務司

案據中華全國商會聯合會上海銀行業同業公會上海市商會上海錢業同業公會等合詞呈稱爲陳請獎勵外銀輸入以調劑市面事竊敝會等前因鑒於白銀出口日多國內工商交困經呈准大部明令徵收白銀出口平衡稅後輸出漸見減少人心於以稍定國計民生交受其益惟是金融之道首貴流通平衡稅之設意固在乎限制白銀之出口但亦足以束縛外銀之輸入蓋國外現銀照目下市面情形本有陸續運回之可能惟因銀稅關係遂致觀望擬請鈞長本維護工商活動金融之意明定獎勵外銀進口辦法令飭總稅務司以後凡由國外輸入現銀得向海關登記將來復出口時准其免納正附各稅如此則國外現銀可期隨時輸入以應國內之需要且輸入現銀本不在國內存銀之內於復出口時予以免稅揆之大部徵稅原旨亦無牴觸爲此環請批示遵行並據外匯平市委員會呈同前情到部查加徵白銀出口稅並課平衡稅原爲應付危機安定金融起見施行以來白銀輸出減少市面賴以安定國計民生胥受其益但爲活潑金融發展工商業計該公會等所請獎勵外銀輸入其用意與本部相同核與加徵白銀出口稅並課平衡稅之旨亦可並行不背應准照辦茲規定辦法如次（一）國外輸入生銀或國幣准將輸入數額日期向進口海關登記由關發給憑證將來如有復出口必要時得由原輸入者持原證呈部換發原額生銀或國幣出口免稅護照（二）持有前項免稅護照出口者除納百分之二・二五稅外二十三年十月十五



日加徵之銀出口稅及平衡稅概免完納（三）此項生銀進口每次至少不得在五十萬盎斯以下如係國幣應折合計算之除批示外合行令仰該總稅務司遵照於二月十九日公布施行並於發給憑證後報部備案爲要

此令

財政部訓令錢字第一三〇九二號 中華民國二十四年三月十六日

令總稅務司

查本部規定獎勵外銀輸入辦法三項，業經令飭遵照公布施行在案。茲爲格外明白除免誤會起見，將原定辦法第一項加以解釋，第二項加以補充如下。

（一）原辦法第一項規定換發原額生銀或國幣出口免稅護照，所謂原額，係指復出口時，准照原輸入時數量相等之生銀及國幣（每一國幣，應以含純銀二三·四九三四八公分爲準）而言，并不限於原進口之生銀及國幣。如分批復運出口，并得適用此項護照。但以運完原照所列數額爲限。

（二）持有前項免稅護照出口者，除納百分之二·二五稅外（國幣及中央造幣廠廠條并免納二·二五稅）二十三年十月十五日起加徵之銀出口稅及平衡稅概免完納。

除分令外，合行令仰該總稅務司遵照公布周知。

此令。

## CIRCULAR No. 5075 (SECOND SERIES).

**Seized craft: regulations governing disposal of, and issue of seizure rewards and informants' fees *in re*, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 11th April 1935.

SIR,

1.—In the early days of the Preventive Service motor-boats, junks, sampans, etc., seized and confiscated for smuggling were either resold to the owners or disposed of to others, but later, with a view to minimising the chances of such craft reverting to the hands of smugglers, instructions were issued that seized smuggling craft that are not required for Customs purposes, *e.g.*, for conversion for preventive use, should only be sold provided that purchasers produce substantial guarantees that they will not again be used for smuggling; furthermore, there have been several occasions on which seized craft—especially of the motor-trawler type—have been broken up and their parts sold for what they will fetch. The system of guarantees, however, has not proved satisfactory, since, apart from the difficulty in determining the requirements of a satisfactory guarantee, it has been found impossible both to keep a check on all craft sold and also to enforce the original guarantee when a vessel has passed to a third or fourth party and is subsequently discovered to have again engaged in smuggling. There can be little doubt that a knowledge that craft seized and confiscated for smuggling are lost irretrievably to their owners will diminish the incentive to allow vessels to engage in illicit trade, and in view of this fact and seeing that the policy hitherto followed of gradually enforcing stricter and severer penalties on smugglers has contributed in no small measure to such successes as have been achieved by the Preventive Service, the time has now come for the introduction of a definite procedure to govern disposal of confiscated craft which will preclude the possibility of their reverting to smugglers. With this end in view, therefore, rules were drawn up at the Inspectorate, and from the appended copies of correspondence you will see that they have been duly approved by the Kuan-wu Shu. The rules are as follows:—

- (1) When a mechanically propelled vessel of 100 tons register or over is seized and confiscated for smuggling, full particulars of the seizure and details

of the vessel, together with recommendations as to her disposal, are to be reported to the Inspectorate and instructions awaited before action is taken in regard to her disposal.

- (2) When a mechanically propelled vessel of under 100 tons register is seized and confiscated for smuggling and her condition is not such as to warrant consideration of her conversion for Customs purposes either at the port of seizure or elsewhere, she is invariably to be broken up and her parts sold for what they will fetch. Engines may be disposed of as units.
- (3) When a mechanically propelled vessel of under 100 tons register is seized and confiscated for smuggling and her condition is such as might warrant her conversion for Customs purposes either at the port of seizure or elsewhere, full details of the vessel are to be reported to the Inspectorate and instructions as to her disposal awaited.
- (4) When a junk, sailing vessel, or sampan seized and confiscated for smuggling is not required for any Customs purpose and, as far as is known, has not previously committed an offence, she may be sold against a reliable guarantee that she will not again be used for smuggling. Should the requisite guarantee not be produced or should it be shown that she has been previously engaged in smuggling, whether under the same ownership or not, she is invariably to be broken up and her parts sold for what they will fetch.

You are requested to take note and to act accordingly. It will be observed that the benefit of a first offence has been given to junks, sailing vessels, and sampans, and in order to obviate any possible abuse of this privilege, you are requested to see that, when a junk is confiscated for the first time and is subsequently re-registered for trade—*vide* Circular No. 4969, § 5, (f),—her conviction for smuggling is clearly recorded in ink in her Pass-book.

2.—The destruction of confiscated craft affects, of course, the informants' fees and seizure rewards issuable to those concerned in their seizure, and in order that the latter shall not be deprived wholly of these customary benefits and also that the procedure may

be uniform in so far as is possible, irrespective of the method of disposal of the craft, the following rules have also been approved by the Kuan-wu Shu:—

- (1) When either a mechanically propelled vessel or a junk, sailing craft, or sampan, which has been seized, is broken up, rewards to seizing officers are to be issued in accordance with the usual scale, *i.e.*, one-tenth, two-tenths, or three-tenths as the case may be, either on the basis of one-half of the price which, it is estimated, the vessel would have fetched if sold in the open market, up to a maximum of \$1,000, or on the basis of the total amount of the proceeds of sale of the parts of the vessels broken up, whichever is the greater. Informants' fees, however, are to be issued only on the latter basis.
- (2) When a confiscated mechanically propelled vessel of under 100 tons register or a confiscated junk, sailing craft, or sampan is converted for Customs use, the price at which the vessel will be taken over by the Service is to be one-half of the price which, it is estimated, she would have fetched if sold in the open market, up to a maximum of \$1,000. Both seizure rewards and informants' fees are issuable on the basis of the taking-over price.
- (3) When a confiscated mechanically propelled vessel of under 100 tons register or a confiscated junk, sailing craft, or sampan is exceptionally disposed of, after reference to the Inspectorate, in circumstances precluding the possibility of her reverting to smugglers, *e.g.*, sale to other Government Offices or Departments, the amount on the basis of which seizure rewards and informants' fees are to be issued will be decided by the Inspectorate.
- (4) When a confiscated mechanically propelled vessel of 100 tons register or over is taken over for Customs use or, after reference to the Inspectorate, is sold to outsiders, the taking-over price and the seizure rewards and informants' fees will be decided by the Inspectorate.

No difficulty will be experienced in the accounting of seizures in which rewards are issued on the basis of actual proceeds of sale of the vessel either in a broken-up state or otherwise, but in cases

in which they are to be based on one-half of the assessed price which the vessel would have fetched if sold in the open market, it will be necessary to meet them out of the *net* proceeds of fines and confiscations as accumulated from other cases.

If, however, there is insufficient balance available from the net proceeds of other fines and confiscations, the seizure rewards and incidental expenses, if any, in this connexion may be charged to Suspense Account temporarily and brought definitely to account in Schedule 11: 1 and 11: 2 later when sufficient funds have accumulated, and care is to be taken to ensure that in no circumstances is there a deficit in the Fines and Confiscation Account at the end of the quarter. All sums received and paid as informants' fees and seizure rewards are to be entered in the appropriate columns of the Fines and Confiscation Report in the usual way, the necessary explanation being given in the "Remarks" column.

Finally, in all cases concerned, the assessment of values of vessels for seizure reward purposes is to be attended to personally by the Commissioner in a small port or by the Deputy Commissioner in a large port in conjunction with the Tidesurveyor, and great care is to be exercised to see that the price fixed is fair both to the Service and to the seizing officers.

3.—The instructions of Circular No. 4733 to the effect that, in certain circumstances when captured craft have to be destroyed on the spot owing to the impossibility of bringing them back to port, special recommendations for the issue of appropriate rewards may be submitted to the Inspectorate are not replaced by the above instructions, but the amounts of the rewards to be issued in such cases will be decided, in so far as is feasible, in accordance with the principles now enunciated.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

總稅務司呈 關務署文第七二九九號中華民國二十四年三月二十日

案查關於海關緝獲走私船隻之處置辦法，在昔凡海關緝獲電船、民船、舢板等，向係售與原主買回，或另行拍賣。嗣爲防杜此項船隻，再入私販之手起見，曾由職署令行各關，凡緝獲走私船隻，如不需將其改作巡船或其他用途者，應於拍賣時，責令買主出具妥實保結，擔保不再以該船走私，方准購買。如緝獲對於走私特別便利之船隻，如馬達漁船等，則由關卽予拆毀，將零件分別出售，以免流入私販之手，仍爲走私之用，歷經各關遵辦在案。但前項由買主出具保結之辦法，頗欠妥善，因不特關於該項保結，究竟是否可靠，海關難以斷定，且船隻一經出售，海關對於其行動，卽無法稽查，再若售出之船，又被買主轉售他人，或經輾轉售賣三四次後，卽使再被海關查覺有走私情事，亦難按原具之保結執行。竊以爲正本清源之計，宜使走私船主，咸曉然於船隻一經被海關緝獲，卽無法得回，則此等船主，心中有所畏忌，自不敢輕於走私，海關方可收制止之效。職特本此意旨擬定辦法四項，以期走私船隻知所警惕，而免海關緝獲之船隻，再行流入私販之手。茲謹條舉如次：

一、凡用機器行駛之船隻，註冊噸位在一百噸或一百噸以上者，因走私被海關緝獲充公時，應由該海關將緝獲情形及船隻狀況，詳細呈報總稅務司，并附擬處置辦法，聽候總稅務司核定處理。

二、凡用機器行駛之船隻，註冊噸位不滿一百噸者，因走私被海關緝獲充公時，倘該船狀況，不合於改作巡船，供該口或其他口岸海關使用，應一律拆毀，將零件分別出售，其船隻機器亦可單獨出售。

三、凡用機器行駛之船隻，註冊噸位不滿一百噸者，因走私被海關緝獲充公時，倘該船狀況，可改作巡船，供該口或其他口岸海關使用，應由該關將該船之詳細狀況，呈報總稅務司核奪處理。

四、凡民船、帆船、或舢板，因走私被海關緝獲充公時，倘該船係初次走私，得由關拍賣，惟須買主覓具妥實保結，擔保購得該船後，不再用以走私，如買主不能覓具該項保結，或該船並非初次走私，（無論前後船主是否一人）而海關對該船亦屬無可利用者，應即由關予以拆毀，并將零件分別出售。

按右列辦法第三項，訂明可供改作巡船之船隻，應由關呈報總稅務司核奪處理等語，所以有此項規定者，因此種船隻，必屬完好，即使在緝私上無所需要，職署亦可斟酌處置，不使流入私販之手。例如以前海關曾將緝獲之船隻一艘，售與郵局，而鹽務稽核所，亦曾向關商購此項船隻，故訂明各關遇有緝獲此項船隻，應呈由職署查核，決定辦法，以期處置得宜。又第四項內規定，民船如係初次走

私，得由關拍賣，免予拆毀，其理由因民船船戶，大都馴良守法，與用機器行駛便於走私之船隻情形不同，如此規定，民船船戶，既知如一再走私，船隻必被海關拆毀，已足使其懷有戒心，不敢嘗試。至用機器行駛之船隻如日本漁船式船隻等，大都慣於由大連及台灣私運貨物，此項船隻之噸位，普通均不滿一百噸，照章如私自往來中國與外國地方貿易，即應充公，因此項船隻，經營走私，較民船及其他非用機器行駛之船隻，便利遠甚，故海關緝獲此項船隻後，不能拍賣，防其再行流入私販之手。

#### 上項辦法，如奉

核准，則關於緝私獎金，亦將連帶發生問題。因按照現行發給關員緝私獎金辦法，凡關員緝獲走私船隻，其應得之獎金，係根據私貨變價及船隻價值兩項之總數計算。本案所擬處置緝獲走私船隻辦法施行後，海關緝獲之走私船隻，多數將由關收用或予拆毀，則關員所得獎金，必因之驟形減少，雖其中多數案件，關員仍可獲得私貨部份之獎金，然緝獲船隻，設或所載私貨，價值無幾，或竟全未裝載貨物，則關員獎金，勢必為數極微，或竟一無所獲，是與現行發給關員獎金辦法，厚薄迥異，恐於緝私工作，難免發生不良影響。為特再行擬具緝獲走私船隻時發給關員或綫人獎金辦法如左：



一、凡海關緝獲用機器行駛之走私船隻，或緝獲之走私民船、帆船、舢板等，由關拆毀時，應照現行提成辦法，就該船拍賣可得價值之半數（至多以一千元爲限）或拆毀零件變價之總數二者中，根據數額較高之一項核給之。至綫人獎金，則祇能根據零件變價之總數核給。

二、凡海關緝獲用機器行駛之走私船隻，註冊噸位不滿一百噸者，或緝獲之走私民船、帆船、舢板等，由關改作巡船使用時，海關應照該船拍賣可得價值之半數（至多以一千元爲限）出價收購，其關員及綫人獎金，即按是項收購價格核給之。

三、凡海關緝獲用機器行駛之走私船隻，註冊噸位不滿一百噸者，或緝獲之走私民船、帆船、舢板等，經呈由總稅務司核定用其他方法處理時，（例如售與政府機關使用等）其發給關員及綫人獎金數目，由總稅務司決定之。

四、凡海關緝獲用機器行駛之走私船隻，其註冊噸位在一百噸或一百噸以上者，由海關改作巡船使用，或呈經總稅務司核准出售時，其海關收購該船之價格及關員與綫人獎金之數額，應由總稅務司決定之。

按右列辦法第一項所稱之「現行辦法」，即係海關緝獲私運貨物，如有眼綫在內，關員應由稅務司分別其爲異常勞績或尋常勞績，提獎二成或一成，眼綫一律給獎四成，如無眼綫在內，則異常勞績關員給獎三成，尋常勞績給獎二成。是項辦法，業經職署二十二年三月十六日第三九六八號文內呈明有

案。又按第一項辦法，如船隻由關拆毀，而關員獎金照估計船隻拍賣可得價值之半數提成發給時，其所需獎金，勢須由其他罰款充公案件餘款項下提撥，惟拍賣價值之半數，既規定以一千元爲最高額，則每次關員所得之獎金，決不致超過三百元，（即最高額一千元之三成）所需提撥之款項，當屬有限，且船隻拆毀後，零件變價之收入，自應歸入罰款充公賬內，以資抵補，故照此實行，似尙不致發生何種窒碍。

以上所擬海關處置緝獲走私船隻辦法及發給關員及綫人獎金辦法，是否有當，理合備文呈請鈞署鑒核示遵。

謹呈

財政部關務署長鄭

財政部關務署指令政字第一六二一六號 中華民國二十四年三月三十日

令總稅務司梅樂和

第七二九九號呈一件爲目下海關所採處置緝獲走私船隻辦法尙欠妥善茲謹另擬辦法並附擬發給關員及綫人獎金辦法呈請鑒核示遵由

呈悉，所擬處置緝獲走私船隻，及發給關員與綫人獎金，兩項辦法，尙屬可行，應予照准，仰卽遵照。此令。

## CIRCULAR No. 5083 (SECOND SERIES).

**Lisbon Conference on Unification of Buoyage and the Lighting of Coasts:  
China has decided to ratify Agreements reached at, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *2nd May 1935.*

SIR,

With reference to Circular No. 4177:\*

Notifying that the Conference on the Unification of Buoyage and the Lighting of Coasts was held at Lisbon from the 6th to the 24th October 1930, that general agreement was reached regarding (1) Maritime Signals and (2) Manned Lightships not on their Stations, and that the Chinese Government had been advised to signify its adoption of the regulations:

to Circular No. 4221:

Informing you that the Government had directed the Chinese delegation to the League of Nations to sign the two Agreements on 26th March 1931:

and to Circular No. 4296:†

Appending a complete list of signatures affixed, subject to ratification as far as China is concerned, to these Agreements up to the 30th April 1931, the date on which the Agreements were closed to signature in conformity with Articles Nos. 4 and 3 of the respective Agreements:

I append, for your information and record, copy of Kuan-wu Shu despatch No. 16303, from which you will see that the Executive Yüan have issued an Order to the effect that the National Government have approved the suggestion of the Legislative Yüan that China should ratify the Agreement concerning Maritime Signals and the Agreement concerning Manned Lightships not on their Stations referred to above, and that the Wai-chiao Pu have been instructed to act according to practice in regard to the ratification of these Agreements. The Shu's despatch gives cover to copy of the Chinese translation of these two Agreements and the Regulations

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\* *Antea*, vol. iv, p. 372.

† *Antea*, vol. iv, p. 547.

relating to Signals by Manned Lightships not on their Stations, it being a slightly revised version of the translation submitted to the Government under cover of my despatch No. 5938 to the Shu, in which translations were also submitted of the Recommendations on Lighthouse Characteristics and Radio Beacons and the Final Act of the Conference, copies of which translations are now appended for purposes of record.

For your information, it may be incidentally stated that the existing practice in China is already in accord with the provisions of the above Agreements.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

財政部關務署訓令政字第一六三〇三號 中華民國二十四年四月六日

令總稅務司梅樂和

奉

部發下

行政院訓令一件，內開：

「案奉

國民政府第二三一號訓令開：『案據立法院二十四年三月九日呈稱：「案奉鈞府第六四五號訓令，以准中央政治會議函據行政院函請核定批准航海信號協定，及離開所駐地燈船協定，經第四二三次會議決議，交本院審議一案，令仰遵照辦理等因。奉此，遵提經本院第三屆第六十七次會議議決，付外交委員會審查，旋據呈稱，『遵經先後提出本會第三屆第三第四兩次會議，詳加討論，當經決議，航海信號協定及離開所駐地燈船協定，均可批准，惟航海信號協定譯文第八條第一項及第九條第三項中之「撤銷」二字，與離開所駐地燈船協定譯文第七條第一項及第八條第三項中之「撤銷」二字，均以改為「退約」二字為宜，又兩協定之末各國簽字名單中，均有遺漏之處，而離開所駐地燈船協定案名與協定本文之標題譯名，亦不相符，似宜一併由院會交本院編譯處核對修正，是否有當，理合備文呈請鑒核，敬候提交大會公決』等情前來。於本院第七十七次會議議決照審查報告通過。理合錄案，並繕具業經核對之修正譯文，一併呈請鑒核施行」等情，並附修正協定及章程譯文到府。據此，應即照辦。除指令並函達中央政治會議外，合行檢發原附件，令仰轉飭外交部依例辦理具報此令』等因奉此，除令飭外交部依例辦理具報並行知交通海軍兩部外，合行令仰該部知照。』

等因，  
附抄件奉此，合行抄同原件，令仰該總稅務司知照。此令。

## CIRCULAR No. 5099 (SECOND SERIES).

**Information regarding any uncharted obstruction: adoption of the old practice of paying a small reward for; accurate fixes to be obtained in all cases, and Coast Inspector to keep record of, and circulate information periodically to all concerned; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *24th May 1935.*

SIR,

In view of the fact that in their patrol work Customs preventive vessels and/or their boat patrols are called upon to navigate parts of the coast where existing hydrographic data is either inadequate or incomplete, I consider it necessary to request you to instruct all certificated officers in charge of preventive vessels to adopt systematically the old practice formerly in use, when surveys were being conducted by a Service vessel or new light-station sites were being selected, by which local fishermen, junkmasters, etc., were encouraged by the offer of small rewards to give information as to the existence, and to point out the exact positions, of any uncharted obstructions, such as submerged pinnacle rocks, sunken wrecks, etc.

Officers in charge of Service vessels are accordingly authorised to pay from their petty cash account such a sum as is locally suitable by way of reward on each occasion that correct information is so furnished regarding any form of uncharted and hitherto unknown obstruction, having over it a depth less than is to be expected from the surrounding soundings or, if in deep water, not more than, say, 30 feet at low water. The sum so issued should not exceed \$5 for each item of information and should normally be considerably less.

In cases of groups of rocks, rewards must of course be limited, and they are only to be issued in respect of rocks forming the outer limits of such groups, and not for each individual rock.

Any information received of this kind is to be communicated to all other local vessels immediately, and subsequently to the Coast Inspector, who will keep a record and will forthwith circulate the information for general guidance.

In all cases accurate fixes giving a permanent record of the position must be obtained, and the petty cash voucher must be accompanied by a copy of the report to the Coast Inspector recording the discovery.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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CIRCULAR No. 5108 (SECOND SERIES).

Customs Service: Kuan-wu Shu: Mr. Loy Chang appointed Director General of Kuan-wu Shu as from 6th June 1935, informing.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 24th June 1935.

SIR,

With reference to Circular No. 5040:\*

Customs Service: Kuan-wu Shu: Mr. Loy Chang appointed  
Acting Director General of Kuan-wu Shu:

I append, for your information and guidance, copy of Kuan-wu Shu despatch No. 17126, from which you will see that Mr. Loy Chang (鄭萊) has been appointed Director General of the Kuan-wu Shu as from the 6th June 1935 by order of the National Government.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Antea*, vol. v, p. 478.

ENCLOSURE.

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財政部關務署訓令總字第一七一二六號 中華民國二十四年六月十七日

令總稅務司梅樂和

案奉

國民政府本年六月六日令任命鄭萊爲財政部關務署長同月十二日奉

財政部秘字第一六一一三號令開案准

行政院第四十四號函送該署長簡任狀一件到部除函復外合行檢發原件令仰查收等因附簡任狀一

件奉此除分令外合行令仰知照並轉飭一體知照此令



## CIRCULAR No. 5117 (SECOND SERIES).

Import goods damaged or destroyed prior to payment of duty: allowance to be made in duty for damage suffered; amendment of rule notified in Circular No. 4309, notifying.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 10th July 1935.

SIR,

With reference to Circular No. 4309:\*

Notifying that allowance might be made in the duty assessed on imported goods damaged or destroyed by flood, fire, or other unforeseen disaster (a) at the time of landing, (b) while on their way to the godown (which term includes both ordinary godowns for general cargo and Customs bonded godowns), or (c) while in bond:

and to Chief Secretary's Printed Note No. 78:

Notifying that, in I.G. despatch No. 22573/139526† to Shanghai, it had been ruled that a transit shed was not to be regarded as an "ordinary godown" in the sense of Circular No. 4309:

I have to inform you that experience of the practical application of these rules during the period since their introduction in 1931 has shown that considerable hardship is felt by importers whose cargo is damaged or destroyed in an ordinary storage godown prior to

\* *Antea*, vol. iv, p. 603.

† I am directed by the Inspector General to acknowledge receipt of your despatch No. 24786:

Reporting that on the 25th December 1931 a fire broke out in Transit Shed "H" at the Associated Pootung Wharf, as a result of which a large part of the cargo which was lying in the shed was either damaged or destroyed; stating that the cargo affected fell into the following three categories:—

- (a) Cargo for which no Application to Import had been made;
- (b) Cargo on which duty had been paid, but which had not yet been released from Customs control;
- (c) Cargo which had paid duty and had been released by the Customs, but which had not yet been removed from the shed;

and inquiring to what extent, if any, the terms of Circular No. 4309, § 5, apply to each of these three categories:

and, in reply, to say that Circular No. 4309 provides for *reduction* of, or *exemption* from, duties on cargo damaged or destroyed between ship and godown, but makes no reference to *refund* of duty, from which it is apparent that the rules of the Circular were not intended to cover duty-paid cargo.

payment of duty and that an expansion of the rules is desirable in order to place this category of cargo on the same footing as that damaged or destroyed at the time of being landed, while in a transit shed or while in bond.

Furthermore, it has become evident that it is impracticable to differentiate between storage godowns and transit sheds for the purpose of clause (b) of the existing rules, the same buildings in many cases being used simultaneously in both capacities, with the result that discrimination along these lines leads only to unequal treatment of different consignments of non-duty-paid goods damaged or destroyed in the same godown.

When, therefore, the question was again raised recently on the occasion of a fire in Shanghai, in which a godown was partially destroyed together with the cargo in it, I recommended to the Kuan-wu Shu, at the instance of the Shanghai Commissioner, that the existing rule of three clauses should be altered and combined to read as follows:—

“ All import goods are to pay duty according to their quantity or value at the time of leaving the importing vessel; but if such goods, prior to the payment of Customs duty, are damaged or destroyed by flood, fire, or other unforeseen disaster, of which clear and complete evidence is produced, the Customs may take into consideration the extent of the damage thus incurred and reduce or exempt the duties accordingly. Once, however, duty has been paid, there shall be no refund.”

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Furthermore, § 5, (b), of Circular No. 4309 is applicable only to goods “on their way to the godown,” and the fact of duty payment indicates that the cargo was no longer on its way to the godown, but was intended for direct delivery to consignee. The storage of duty-paid cargo in the transit shed was, for Customs purposes, not temporary but final, and it follows that no refund of duty may be made in respect of cargo in categories (b) and (c).

Before attempting to apply the rules of Circular No. 4309 to cargo in category (a)—i.e., cargo on which duty had not been paid—it is necessary to decide whether a transit shed is an “ordinary godown” in the sense of Circular No. 4309. The term “ordinary godown” means the wharf warehouse, or open-air storage area, where it is customary for cargo to be stored pending final completion of Customs formalities. A transit shed, on the contrary, is a temporary shelter for goods landed at a wharf pending disposal by (1) removal to an “ordinary godown”; (2) removal to a bonded warehouse; (3) importation for local consumption; or (4) transhipment.

The Inspector General is therefore of the opinion that a transit shed is not an “ordinary godown” in the sense of Circular No. 4309 and that the temporary storage of non-duty-paid cargo in a transit shed is only a stage in its progress from ship to godown.

I am therefore to authorise you to apply the rules of Circular No. 4309 to the cargo in category (a).

In conclusion, I am to add that the privileges of Circular No. 4309 are not to apply to cargo lying in a transit shed after expiry of the importing vessel's manifest, i.e., 15 days after clearance, even if the time-limit for clearing the manifest has been extended.

From Kuan-wu Shu despatch No. 17232 in reply, copy of which is appended, you will see that my recommendation has been approved.

You are requested to act accordingly, noting that the rule laid down in § 5 of Circular No. 4309 is now superseded by the rule quoted above, which is to be put into force as from the date of this Circular.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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ENCLOSURE.

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財政部關務署指令則字第一七三二號 中華民國二十四年六月二十八日

令總稅務司梅樂和

呈一件擬將現行損壞或焚燬進口貨物減免稅項辦法加以修改是否有當請核示由

呈悉。經已函准國定稅則委員會核議前來。所有現行損壞或焚燬進口貨物減免稅項辦法，

應准如擬修改施行。其實隆及順亨兩洋行被燬之貨，並准照此辦理。仰即遵照。此令。

## CIRCULAR No. 5134 (SECOND SERIES).

**Superintendent's allowances: revised list of amounts issuable as from July 1935 notified; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 31st *August* 1935.

SIR,

With reference to Circular No. 4668:

Notifying the Government's instructions regarding the allowances issuable monthly from Revenue Account to the different Superintendents of Customs, with effect from 1st July 1933:

I have to circulate, for your information and guidance, copy of Ts'ai-chêng Pu despatch No. 18074, from which you will see that the allowances issuable monthly to the different Superintendents have again been revised under Government instructions and in many cases reduced, that the revised rates, which are to hold good for the 24th Fiscal Year (1st July 1935 to 30th June 1936), according to the standard dollar amounts notified in the appendix to the despatch, are to be divided into 12 monthly instalments which are to be paid from revenue by the Commissioners to their respective Superintendents, and that the Superintendents have been informed by the Ts'ai-chêng Pu of the rates to be followed.

I have accordingly to request you to give effect to the above instructions of the Pu and, as from 1st July 1935, to issue to the Superintendent an allowance conforming strictly to the new rate applicable to your port. For the sake of convenience, the yearly amount authorised for each port, together with the consequent monthly instalments payable as calculated from the table supplied by the Ts'ai-chêng Pu, is shown in a separate list appended to this Circular (Enclosure No. 2). Wherever the total allowance to be issued during the year, as authorised by the Government, is not exactly divisible by 12, special instructions covering the manner in which the total sum is to be allocated into monthly parts are given in the "Remarks" column of the list referred to above. These instructions are to be carefully noted in order to ensure that the aggregate monthly instalments issued during the year will exactly equal the total amount authorised as allowance for the year.

Should you have issued the Superintendent's allowance for the months of July and August at the former rate as laid down in Circular No. 4668, prior to the receipt of these instructions, any adjustment that may be necessary is to be effected at the time of making the September payment.

I am, etc.,

H. KISHIMOTO,  
*For Inspector General.*

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## ENCLOSURE No. 1.

財政部令關字第一八〇七四號 中華民國二十四年八月二十二日

令總稅務司梅樂和

案查二十四年度，各海關監督署歲出概算，奉令核減十萬元，前經本部通盤籌畫，分別酌減，於上月感日核定，電飭各海關監督遵照在案。所有核定各該署二十四年度歲出概算數內，除上年度原在各該署雜款收入項下動支之數，本年度應仍在各該署雜款收入項下動支外，其餘不足之數，及無雜款收入各關，應從稅款內撥付者，茲經本部編列一表，應由該總稅務司，按照表列應從稅款撥付之數，分十二個月，飭由各該關稅務司逕撥各該署，俾資支用，除分令各關監督知照外，合行檢發表一份，仰即遵照辦理。此令。

計發表一份

二十四年度各海關監督署歲出預算表

關 別	核定概算數	由雜款項下 支出部份	應從稅款項 下撥付部份	附 註
	\$	\$	\$	
蕪湖關	21,420	..	21,420	* 查該關經費原有4,440元係從雜款開支其分機關經費每年3,600元亦向係從雜款開支凡原在雜款開支者應予仍舊故由稅款撥付部分為20,160-(4,440+3,600)=12,120元
重慶關	18,144	..	18,144	
*長岳關	20,160	8,040	12,120	
†九江關	15,540	660	14,880	
宜昌關	15,120	..	15,120	
杭州關	14,112	..	14,112	† 所列由雜款項下動支之數均係照上年度開列應予仍舊故就核定概算數內減去各該數為應從稅款撥付之數
蘇州關	12,600	..	12,600	
荊沙關	12,600	..	12,600	
南甯關	12,600	..	12,600	
†江海關	47,030	24,000	23,030	
津海關	36,096	..	36,096	† 江鎮查驗員經費每月120元在外
粵海關	36,096	..	36,096	
江漢關	31,584	..	31,584	
膠海關	23,760	..	23,760	
東海關	23,760	..	23,760	
閩海關	23,760	..	23,760	
†廈門關	21,859	3,600	18,259	
瓊海關	20,592	..	20,592	
鎮江關	20,528	..	20,528	
金陵關	19,008	..	19,008	
甌海關	19,008	..	19,008	
†浙海關	19,008	..	19,008	
潮海關	19,008	..	19,008	
蒙自關	18,727	..	18,727	
秦王島關	18,000	..	18,000	
梧州關	18,000	..	18,000	
龍州關	8,796	..	8,796	
騰越關	3,600	..	3,600	
	570,516	36,300	534,216	



## ENCLOSURE No. 2.

SUPERINTENDENTS' ALLOWANCES ISSUABLE  
FOR 24TH FISCAL YEAR.

PORT.	ANNUAL AMOUNT ISSUABLE.	ALLOWANCE ISSUABLE MONTHLY.	REMARKS.
	\$	\$	
Chinwangtao .....	18,000	1,500	* \$1,710 each for July, October 1935, and January, April 1936.
Tientsin .....	36,096	3,008	\$1,711 each for August, September, November, December 1935, and February, March, May, June 1936.
Chefoo .....	23,760	1,980	
Tsingtao .....	23,760	1,980	
Chungking .....	18,144	1,512	† \$1,919 each for July to November 1935, and January to May 1936.
Ichang .....	15,120	1,260	
Shasi .....	12,600	1,050	\$1,920 each for December 1935 and June 1936.
Changsha .....	12,120	1,010	
Hankow .....	31,584	2,632	‡ \$1,521 each for July, August, October 1935, and January, April 1936.
Kiukiang .....	14,880	1,240	\$1,522 each for September, November, December 1935, and February, March, May, June 1936.
Wuhu .....	21,420	1,785	
Nanking .....	19,008	1,584	
Chinkiang .....	20,528	1,710*	\$ \$1,560 each for July, August, October 1935, and January, April 1936.
Shanghai .....	23,030	1,919†	\$1,561 each for September, November, December 1935, and February, March, May, June 1936.
Soochow .....	12,600	1,050	
Hangchow .....	14,112	1,176	
Ningpo .....	19,008	1,584	
Wenchow .....	19,008	1,584	
Foochow .....	23,760	1,980	
Amoy .....	18,259	1,521†	
Swatow .....	19,008	1,584	
Canton .....	36,096	3,008	
Wuchow .....	18,000	1,500	
Nanning .....	12,600	1,050	
Kiungchow .....	20,592	1,716	
Lungchow .....	8,796	733	
Mengtsz .....	18,727	1,560§	
Tengyueh .....	3,600	300	

## CIRCULAR No. 5136 (SECOND SERIES).

Convention regulating Relations between China and France concerning  
French Indo-China and Adjoining Chinese Provinces, 1930:  
text of and instructions *in re*, notifying.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 7th September 1935.

SIR,

I append, for your information and guidance, copy of Kuan-wu Shu despatch No. 17694, transmitting a copy in Chinese and French of the Convention regulating Relations between China and France concerning French Indo-China and Adjoining Chinese Provinces,\* which was signed on the 16th May 1930, as well as copies of various annexes thereto and of correspondence exchanged between the representatives of the two Governments and in connexion therewith.

I also append copy of Kuan-wu Shu telegram No. 1991, notifying the following rulings made by the Ts'ai-chêng Pu in respect of those parts of the above Convention which concern the Customs:—

- (1) With regard to the five articles enumerated in Appendix B of the Convention, namely, cardamoms, superior and inferior, cinnamon, undressed skins, wood furniture, and empty glass bottles, import duty is to continue to be levied thereon according to the rates laid down in the present Import Tariff.
- (2) In the case of Indo-China rice and anthracite coal with fuel ratio at 5 or over imported direct from Indo-China, or under through bill of lading, into the provinces of Yunnan, Kwangtung, and Kwangsi, import duty is to be levied on the anthracite coal at the special rate of *G.U.* 0.89 per metric ton and on the rice at the special rate of *G.U.* 1.50 per 100 kilogrammes as stipulated in the Convention. Flood relief surtax and revenue surtax are however

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\* Not printed.

to be levied on such anthracite coal and rice at the normal rate of 5 per cent each of the import duty calculated according to the above special duty rates.\*

- (3) So long as the present Customs system of levying import duty uniformly throughout the country remains unchanged, the special rates of import duty applicable to anthracite coal and rice of Indo-China origin are to be uniformly adopted by all the Customs throughout China.
- (4) The date of enforcement of the special rates of import duty on anthracite coal and rice of Indo-China origin is to be the 22nd July 1935, *i.e.*, the date on which the Convention takes effect. In cases where such anthracite coal and rice imported on or after the 22nd July 1935 were not dealt with according to the above special rates of import duty, the amount of duty (and surtaxes) overcharged may be refunded by the Customs after verification.

A telegram to the above effect was sent to all ports on the 3rd September 1935, and you are requested to act accordingly.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* In January 1936 this ruling was modified by I.G. Circular No. 5209 to read as follows:—

In the case of Indo-China rice and of anthracite coal originating either from France or from French Indo-China with fuel ratio of 5 or over imported direct from Indo-China, or under through bill of lading, into the provinces of Yunnan, Kwangtung, and Kwangsi, import duty is to be levied on such anthracite coal at the special rate of *G.U.* 0.89 per metric ton and on the rice at the special rate of *G.U.* 1.50 per 100 kilogrammes as stipulated in the exchange of notes attached to the Protocol of the 4th May 1935. Flood relief surtax and revenue surtax are, however, to be levied on such anthracite coal and rice at the normal rate of 5 per cent each of the import duty calculated according to the above special duty rates.

ENCLOSURE No. 1.

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財政部關務署指令則字第一七六九四號中華民國二十四年八月十九日

令總稅務司梅樂和

呈一件請將中法越南及中國邊省關係專約及議定書附件抄發一份由

呈悉。茲將外交部所送越約及其附屬文件印本，檢發一份，仰即查收。此令。

附件

## ENCLOSURE No. 2.

關務署電第一九九一號中華民國二十四年九月一日

梅總稅務司覽國密查越約及其附屬文件前經檢同外交部所送印本令行在案關於原約所議關稅部份之施行辦法業已由部參用外交部來咨解釋分項規定茲列示如下一越約乙種附表所載荳蔻砂仁肉桂木硝皮貨木製傢具空玻璃瓶等五項其進口稅稅率仍應適用我國現行國定稅則二越南產米及燃率在五或以上之無烟白煤由越南直接運入我國滇桂粵三省或運入各該省持有直接提貨單者其進口稅稅率白煤應適用每公噸零點八九金單位之約定稅率越米應適用每公擔一點五零金單位之約定稅率又救災附加稅及海關附加稅應照白煤與越米之約定稅率各案原定附加稅稅率百分之五繼續徵收三在我國海關劃一徵稅之現行制度未變更以前對於白煤與越米適用約定稅率之辦法應暫由全國海關一律施行四白煤與越米適用約定稅率之施行日期應自越約本年七月二十二日發生效力之日起算其在本年七月二十二日及以後報關進口之白煤與越米未照約定稅率辦理者經海關核明後准將溢徵稅款發還合行密電遵照仰速轉電各關辦理爲要署長鄭世(卅一)印

## CIRCULAR No. 5157 (SECOND SERIES).

**Tonnage Dues Certificate: may be extended if a vessel is laid up  
for any valid reason; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 9th October 1935.

SIR,

With reference to previous Circulars (Nos. 203,\* 234, 666, 796, 962, 2835, 3630):

Defining the circumstances in which special extension of  
Tonnage Dues Certificates will be granted:

I append, for your information and guidance, copy of correspondence (my despatch No. 8102 and Kuan-wu Shu despatch No. 18012) which has passed between the Kuan-wu Shu and myself, from which you will see that, in response to representations made by the Shanghai Shipping Guild, the Shu have ruled (1) that, when a vessel is laid up for any valid reason in a Chinese port, its Tonnage Dues Certificate may be extended by the period during which it is laid up, provided the owners notify the Customs in advance of their intention to lay up their vessel and the vessel concerned be laid up for at least one month, and (2) that, in the case of a vessel already laid up for one month or more, its Tonnage Dues Certificate may be extended by the number of days during which it is laid up.

The above ruling, which applies both to ocean-going and to river steamers, is of course to be understood to mean that if a Tonnage Dues Certificate expires whilst the vessel is laid up, the new Certificate, issued when the vessel next clears, is to give credit only for the period from the date of the laying-up of the vessel to the date of expiry of the previous Certificate.

You are requested to act accordingly and to issue, conjointly with the Superintendent, a notification to the public to the above effect.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Antea*, vol. i, pp. 427-436.

## ENCLOSURE.

總稅務司呈 關務署文第八一〇二號 中華民國二十四年九月十二日

案據江海關稅務司羅福德呈稱：

「准上海市輪船業同業公會函開『據會員各公司合稱，「近來市面蕭條，金融緊迫，以致貨運日減，航運衰頹，輪船因無貨裝運，停泊浦江南段者，已有三四十艘之多，實屬無力繳納海關噸鈔。查輪船在修理期內，例得扣除噸鈔，現在輪船停航，自應援例辦理」等情。請准停航輪船免繳噸鈔』等由。查各輪船公司所請輪船在停航期內免納噸鈔一事，揆其用意，係欲將輪船未滿期船鈔執照之限期，在復航時按該船在港停航之日數，予以延長。如此項執照在停航期內滿期，則按自停航以至執照滿期之日數，予以展期。如此延長時期，於輪船復航之時，即可從緩繳納船鈔，藉以減輕航商負擔。如蒙鈞署轉呈核辦，為避免流弊起見，擬請將上述展期辦法加以限制，即凡停航輪船，其停駛時期未滿兩月者，不得享受此種特殊待遇。／

再查浦江上段，現在停航之輪船註冊噸位在一百五十噸以上者計有二十七艘，共二萬九千六百二十九噸，合併陳明，准函前由，理合抄同原函，呈請核示」

等情。據此。復核該公會所請因營業不振，停止航行，准將船鈔執照之限期，按其停航日數，予以展期一節，在海關定章上雖無明文規定，惟查海關現行船鈔執照延期辦法，船隻有入口避難及修理等項事故者，均得計其避難或修理之日數，而將其船鈔執照之限期予以延長，是按海關定章之原則，船隻在停止營業，無所收入之時，即可免納船鈔，依此而論，竊以爲該公會所請，不無相當理由。況在此市面蕭條之時，貨運日減，航業日衰，其所稱凋敝情形，洵屬實在。政府對於航商等所收困苦，極應設法救濟，用示矜恤。擬請

鈞署俯賜明白規定，凡船隻有正當理由停止航行者，准將船鈔執照按其停航日期予以延長。但應訂明船主如擬將其輪船停止航行時，須預先通知海關，其停航期間并須至少爲一個月，方能享受延長船鈔執照有效時期之利益，藉資限制而免弊端。至現已停航船隻，如有停至一個月者，即可將其船鈔執照限期計日延長，以示體恤。是否有當，理合備文呈請

鑒核施行。再此呈正在飭繕間，奉到

鈞署本月六日政字第一七八三一號訓令，以據上海市航業公會主席虞和德代電稱同前情，飭將對於此



項停航輪船之噸鈔執照有效期間能否酌予變通以示體恤之處查酌議復等因。遵查上述擬議辦法，與鈞令飭議各節適合，自可毋庸另文議復，合併聲明。

謹呈

財政部關務署長鄭

財政部關務署指令政字第一八〇一二號 中華民國二十四年九月二十日

令總稅務司梅樂和

八一〇二號呈一件請規定延長船鈔執照限期辦法由

呈悉，據稱海關定章原則，船隻在停止營業，無所收入之時，即可免納船鈔，請將延長船鈔執照限期辦法，明白規定等情，自爲救濟航商困苦起見，茲規定凡船隻有正當理由停止航行者，准將船鈔執照，按其停航日期，予以延長，但船主如擬將其輪船停止航行時，須預先通知海關，其停航期間，并須至少爲一個月，方能享受延長船鈔執照有效時期之利益，至現已停航船隻，如有停至一個月者，即可將其船鈔執照限期，計日延長，以示體卹，除批行上海市航業公會外，仰卽遵照辦理。

此令。

## CIRCULAR No. 5167 (SECOND SERIES).

Maritime Customs Peiping Office: closing of, on  
30th September 1935, notifying.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 14th November 1935.

SIR,

When the Inspectorate was transferred to Shanghai in December 1928/January 1929 (*vide* Circular No. 3822),\* the Peiping Office of the Inspectorate was left in charge of a Deputy Commissioner, whose duties were primarily to supervise Customs property, etc. Subsequently, owing to the retirement of Mr. E. Alabaster,† then Commissioner, detached, and Vice-President of the Customs College, it became necessary to raise the status of the post at Peiping to that of Commissioner so that its holder could be appointed concurrently Vice-President of the Customs College.

With the recent removal of the Customs College from Peiping to Shanghai, and the resultant withdrawal of all work connected with the College, the only duties remaining for the Commissioner there were those pertaining to property supervision and control of,

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\* *Antea*, vol. iv, p. 139.

† Ernest Alabaster was born on the 6th February 1872 at Twickenham, Middlesex, England, and joined the Customs Service on the 24th June 1889 as 4th Assistant, B. During his first term of service he was stationed successively at Amoy, Tientsin, Tainan, and Shanghai, from which last-named port he proceeded on long leave on the 1st July 1896. In order that he might carry out his legal studies in London and Oriental Research work at Cambridge University, his long leave was extended from two years to three years and seven months. During that furlough he qualified as Barrister-at-Law of the Inner Temple. On return from leave he was appointed Assistant-in-Charge at Samshui, then Acting Commissioner at Wuchow, after which, on the 1st May 1904, he was promoted Deputy Commissioner and appointed to the branch office of the Inspectorate at Shanghai. On return from his second long leave he was for six months Deputy Commissioner at Canton before being appointed to Soochow in charge of the Kiangsu likin collectorate, a post which he held for three and a half years. Then followed a year and a half at Wuhu and nine months at Foochow in charge of the Native Customs, after which he was transferred to the Inspectorate at Peking to be Acting Chinese Secretary, and subsequently Examiner in Chinese. On the 1st November 1917 he was promoted Commissioner while in charge of Hangchow, at which port he remained for almost three years. Subsequent charges were Wenchow, Chinkiang, and Moukden. From April 1928 to the 31st July 1929 he was Vice-President of the Customs College at Peking, where, in addition to his regular duties, he did much to carry through the scheme for sending abroad Chinese members of the Service to study Customs organisations and methods (*vide* I.G. Cir. No. 3857, *antea*, vol. iv, p. 163). He retired on the 31st July 1929 after 40 years' service. Mr. Alabaster holds Civil Rank of the 3rd Class; the Order of the Double Dragon, 3rd Division, 1st Class; and the Order of the Chia Ho, 4th Class, 3rd Class, and 3rd Class with Brilliants.

and collection of duty on, postal parcels. These duties do not warrant the continued maintenance of a separate Customs establishment at Peiping, seeing that there is now a Deputy Commissioner of the Tientsin Customs residing at Peiping, and I accordingly recommended to the Kuan-wu Shu that the office be closed.

I have now to inform you that, my recommendation having been approved by the Shu, the Peiping Maritime Customs Office was closed on the 30th September 1935, and that the Customs property at Peiping and the collection of duty on postal parcels there have since been placed under the control of the Tientsin Commissioner with the Deputy Commissioner in charge of the Maritime Customs Stations in the Great Wall Passes in immediate charge.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## CIRCULAR No. 5170 (SECOND SERIES).

**Revenue collection: Government Decree of November 1935  
announcing nationalisation of silver; I.G.'s remarks  
and instructions *in re*, conveying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 19th November 1935.

SIR,

I.—Circular No. 4025\* notified the introduction of the Customs gold unit as the basis for the collection of all import duties and the discontinuance of the Haikwan tael for the calculation of such duties; and subsequent Circulars—more particularly Circulars Nos. 4239,† 4242, and 4530‡—issued detailed instructions regarding the manner of collecting these gold unit duties, either in gold unit notes, cheques, etc., or in silver at daily rates of exchange. Again, Circular No. 4583§ announced the introduction of the standard dollar and the abolition of the Haikwan tael and instructed that export and interport duties, surtaxes, and dues hitherto collected in Haikwan taels were henceforth to be assessed and collected in the new standard dollars. It was then pointed out that the placing of these Export and Interport Tariff rates on the basis of a minted coin, and not as hitherto on the basis of a recognised weight of pure silver, and the ordering that this minted coin should be legal tender in the payment of all such duties constituted a clean break away from the previously accepted principle, based on treaty stipulations, that in accepting duty payments the Customs were bound to insist on the receipt of such and such a weight of pure silver, either in sycee or in its equivalent in silver coin. Bearing in mind the paucity of standard dollars in circulation at that time, it was stipulated that, until the new standard dollars were in general circulation, national dollars and other silver dollars circulating locally at par with national dollars might be accepted in lieu of standard dollars, while other currencies were to be accepted only at market rates.

2.—It will thus be seen that in the past the principle that Customs duties, other than import duties actually paid in gold units, are payable in silver has been strictly maintained and that the various monetary changes introduced by the Government during recent years have in no way interfered with the strict observance of this principle.

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\* *Antea*, vol. iv, p. 261.

† *Antea*, vol. iv, p. 474.

‡ *Antea*, vol. v, p. 85.

§ *Antea*, vol. v, p. 131.

3.—Now, however, with the Government Decree of the 3rd November 1935,\* which aims at the nationalisation of silver, we are faced with a situation which necessitates an immediate break with the traditions of the past and abandonment of the principle that Customs duties are payable in silver.

4.—Briefly, this Decree, publication of which has appeared in the Press, instructs that, commencing from the 4th November 1935, the bank-notes issued by the three Government banks—*i.e.*, the Central Bank of China, the Bank of China, and the Bank of Communications—are to be full legal tender, the notes of all other issuing banks remaining in circulation but to be gradually withdrawn

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\* 1.—As from the 4th November 1935, the bank-notes issued by the Central Bank of China, the Bank of China, and the Bank of Communications shall be full legal tender. Payment of taxes and discharge of all public and private obligations shall be effected by legal tender notes. No use of silver dollars or bullion for currency purposes shall be permitted; and, in order to prevent smuggling of silver, any contravention of this provision shall be punishable by confiscation of the whole amount of silver seized. Any individual found in illegal possession of silver with intention to smuggle it shall be punishable in accordance with the law governing acts of treason against the State.

2.—Bank-notes of issuing banks, other than the Central Bank of China, the Bank of China, and the Bank of Communications, whose issue had been previously authorized by the Ministry of Finance, shall remain in circulation, but the total outstanding bank-notes of each bank shall not exceed the amount in circulation on the 3rd November 1935. The outstanding bank-notes of these banks shall be gradually retired and exchanged for Central Bank of China bank-notes within a period to be determined by the Ministry of Finance. All reserves held against the outstanding bank-notes, together with unissued or retired notes of these banks, shall be handed over at once to the Currency Reserve Board. Notes previously authorized and in process of printing shall also be handed over to the said Board upon taking delivery by the banks.

3.—A Currency Reserve Board shall be formed to control the issue and retirement of legal tender bank-notes, and to keep custody of reserves against outstanding bank-notes. Regulations governing the said Board shall be separately enacted and promulgated.

4.—As from the 4th November 1935, banks, firms, and all private and public institutions and individuals holding standard silver dollars, other silver dollars, or silver bullion, shall hand over the same to the Currency Reserve Board or banks designated by the Board in exchange for legal tender notes, at face value in the case of standard silver dollars and other silver dollars which conform to the terms of previous monetary legislation of the Government, and in accordance with the net silver content in the case of silver bullion or other forms of silver.

5.—All contractual obligations expressed in terms of silver shall be discharged by the payment of legal tender notes in the nominal amount due.

6.—For the purpose of keeping the exchange value of the Chinese dollar stable at its present level, the Central Bank of China, the Bank of China, and the Bank of Communications shall buy and sell foreign exchange in unlimited quantities.

The measures set forth above are designed for economic rehabilitation. The Central Bank of China will be reorganized to function as a bankers' bank. The general banking system will be strengthened, giving increased liquidity to the commercial banks under sound conditions, so that they may have resources available to finance the legitimate requirements of trade and industry. Measures have been prepared to create a special institution to deal with mortgage business; and steps will be taken to amend the present legal code affecting real estate mortgages so as to make real estate more acceptable as security for loans.

Plans of financial readjustment have been made whereby the National Budget will be balanced. Also, with the centralization of note issue, the provision of adequate reserves against the legal tender currency, and a system of rigorous supervision, confidence in the currency will be strengthened. It is hoped that the nation will whole-heartedly support the Government in measures to promote the national prosperity. The Government will take drastic measures to deal with speculation and attempts to bring about unwarranted increase in prices, and with any action intended to hamper the execution of the measures set forth in this decree.

### 財政部布告二十四年十一月三日

自近年世界經濟恐慌各重要國家相率改定貨幣政策不許流通硬幣我國以銀為幣白銀價格劇烈變動以來遂致大受影響國內通貨緊縮之現象至為顯著因之工商凋敝百業不振而又資金源源外流國際收支大蒙不利國民經濟日受萎敗種種不良狀況紛然並起計自上年七月至十月中旬三個半月之間白銀流出凡達二萬萬元以上設當時不採有效措施則國內現銀存底必有外流罄盡之虞此為國人所昭見者本部特於上年十月十五日施行征收銀出口稅兼課平衡稅藉以制止資源外溢保存國家經濟命脈緊急危機得以挽救顧成效雖已著於一時而究非根本挽救辦法一年以來各界人士紛紛陳請政府設法挽救近來國內通貨益加緊縮人心惶恐市面更形蕭條長此以往經濟崩潰必有不堪設想者政府為努力自救復興經濟必須保存國家命脈所繫之通貨準備金以謀貨幣金融之永久安定茲參照近今各國之先例規定辦法即日施行

一、自本年十一月四日起以中央中國交通三銀行所發行之鈔票定為法幣所有完納稅及一切公私款項之收付概以法幣為限不得行使現金違者全數沒收以防白銀之偷漏如有故存隱匿意圖偷漏者應准照危害民國緊急治罪法處治

二、中央中國交通三銀行以外曾經財政部核准發行之銀行鈔票現在流通者准其照常行使其發行數額即以截至十一月三日止流通之總額為限不得增發由財政部酌定期限逐漸以中央鈔票換回並將流通總額之法定準備金連同已印未發之新鈔及已發收回之舊鈔悉數交由發行準備管理委員會保管其核准印製中之新鈔並俟印就時一併照交保管

三、法幣準備金之保管及其發行收換事宜設發行準備管理委員會辦理以昭確實而固信用其委員會章程另案公布

四、凡銀錢行號商店及其他公私機關或個人持有銀本位幣或其他銀幣生銀等銀類者應自十一月四日起交由發行準備管理委員會或其指定之銀行兌換法幣除銀本位幣按照面額兌換法幣外其餘銀類各依其實含純銀數量兌換

五、舊有以銀幣單位訂立之契約應各照原定數額於到期日概以法幣結算收付之

六、為使法幣對外匯價按照目前價格穩定起見應由中央中國交通三銀行無限制買賣外匯

以上辦法實為復興經濟之要圖並非以運用財政為目的即中央銀行之組織亦將力求改善以盡銀行之銀行之職務其一般銀行制度更須改革健全於穩妥條件之下設法增加其流動性俾其資金充裕後得以供應正當工商企業之需要並將增設不動產抵押放款銀行修正不動產抵押法令以謀地產之活潑現經本部切實籌劃不日呈請次第施行國家財政整理之措施亦已籌有辦法可期收支之適合且自此發行統一法幣之準備確實監督嚴密信用益臻鞏固所望全國人民咸體斯旨一致遵行共濟國家於繁榮事關救國要政如有故意阻撓造謠生事或希圖投機高抬物價者定即執法嚴繩不稍寬貸除分行外合亟布告周知此布

and replaced by notes of the Central Bank; that payment of taxes and discharge of all public and private obligations are to be effected by legal tender notes; that the use of silver dollars or bullion for currency purposes is prohibited; and that commencing from the above date all banks, firms, and all private and public institutions and individuals holding standard dollars, other silver dollars, or silver bullion are to hand over their holdings to the newly established Currency Reserve Board or its agent banks in exchange for legal tender notes, at face value in the case of standard silver dollars, and in accordance with the net silver content in the case of other silver dollars or silver bullion.

5.—The measures now introduced by the Government—which are the logical outcome of the stringent financial and economic conditions which compelled the Government as a first step to impose in October 1934 a duty and an equalisation charge on the export of silver (*vide* Circular No. 4971)\* in order to safeguard the national currency—are of a momentous and far-reaching nature and, as indicated above, call for a radical change of outlook and policy on the part of the Customs. It is, of course, incumbent upon us to assist in every possible way the successful carrying out of the Government's instructions, but, at the same time, we must take precautions to ensure that, during the period of transition that is bound to elapse before the new financial machinery of the country is running smoothly, the revenue collection shall not suffer. It is impossible, however, at the present juncture, owing to a certain amount of confusion and uncertainty, to issue precise instructions to Commissioners regarding the attitude to be adopted in face of the present situation. Moreover, no very precise instructions have been issued by the Government regarding the action to be taken by the Customs at the present time. In the circumstances, therefore, I can but issue instructions of a general nature, leaving it to port Commissioners to report to me for further instructions when any particular difficulties arise which they are unable satisfactorily to cope with locally.

6.—I append copies of Kuan-wu Shu despatches Nos. 18521 and 18551 for your information and guidance. From these you will see that the Ts'ai-chêng Pu instruct—

- (a) That, notwithstanding the recent Decree of the Government, Customs import duties are still payable in gold units; and

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\* *Antea*, vol. v, p. 450.

- (b) That, in order to afford convenience to the public in carrying out the Government's Decree, all banks, public bodies, revenue-collecting offices, and all Government-owned enterprises, such as the Post and Telegraph Offices, the Railways, and the China Merchants Steam Navigation Company, are to accept silver and silver dollars surrendered in exchange for legal tender notes.

7.—To the above I would add the following remarks for your guidance:—

- (a) Henceforth the bank-notes of the three Government banks must perforce be accepted in payment of Customs duties or, where these are not in circulation, their equivalent in local currency. At ports, however, where the revenue collection is undertaken by a bank, the question of what currency shall be accepted in payment of duties must, of course, be left to the bank to decide, but you should insist that the equivalent of standard dollar notes is credited daily to your Revenue Dollar Account.
- (b) Local revenue balances are to be reduced to a minimum by regular remittances, and, where possible, the retention of the special local reserve balances authorised by Circular No. 5102 should be discontinued temporarily.
- (c) At ports where facilities for the payment of import duties in gold units exist, Commissioners are to pay careful attention to the proportion of import duties so paid and the proportion paid in silver, and, in the event of any noticeable change in the proportions whereby a larger share is paid in local currency, to trace the reason for the change and to take steps to counteract the influence if its continuance is considered prejudicial to revenue interests.
- (d) Those ports whose bank agreements have special clauses to the effect that the bank undertakes to receive the Customs revenue in silver, as opposed to bank-notes, should note that such clauses are invalidated by the recent Government Decree.
- (e) It may be assumed that the present measures of the Government will tend to reduce remittance costs. At those ports, therefore, where the fees charged by



the banks for the remittance of the revenue collection in dollars is not fixed but is based on a figure that allows for the actual movement of silver, Commissioners are to endeavour to effect remittances at as low a cost as possible. In the case of those ports where the fee for the remittance of the revenue collection in dollars is fixed by mutual agreement, it is not inappropriate to point out to the banks that with the changed conditions these rates should no longer be held operative and a reduced charge should be made for this service. As, however, I am approaching the Government directly on this question, no positive action is to be taken in this connexion pending further instructions.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

ENCLOSURE.

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財政部關務署訓令政字第一八五二一號中華民國二十四年十一月四日

令總稅務司梅樂和

案奉

財政部滙錢字第五四號令開：

「本年十一月四日起以中央中國交通三銀行所發行之鈔票定爲法幣所有完糧納稅及一切公私款項之收付概以法幣爲限不得行使現金業經布告施行並分行在案惟海關各稅徵收關金係屬稅則規定與一般糧稅向祇徵收銀幣者有別仍應依照原稅則規定徵收關金不得更易致案成規合行令仰該署轉行總稅務司遵照」

等因奉此合行令仰該總稅務司遵照此令

財政部關務署訓令政字第一八五五一號中華民國二十四年十一月七日

令總稅務司梅樂和

案奉滬錢字第五六號

部令開：

「查貨幣本爲交易之中準，上古以物易物，稍進乃有泉布，及人口繁殖，交易增進，始範金銀銅三品爲幣。迄夫工商發達，社會進化，於是信用貨幣之效用，遂超於金屬貨幣之上，近代文明國家，固無不以鈔券代替硬幣爲交易之中準者，本部以中交三行鈔票，定爲法幣，卽本斯旨，願我國用銀習慣，爲時已久，而人口衆多，收藏或多屬銀類，值此法令新頒，鄉僻地方，或有稍感不便，三行鈔票，又或流通未遍，或至持有銀幣銀類無處兌換法幣行使者。茲特函令三銀行，各銀行，各錢莊，各公會，各稅收機關，及國營事業機關，如郵政，電報，鐵道，招商各局一律代爲收換，藉謀一般人民之便利，並爲剴切說明，以祛疑惑，而利施行。仰卽遵照辦理，並轉令稅務司一體遵照。」

等因。合行令仰該總稅務司遵照，並轉飭各關稅務司一體遵照。此令。

## CIRCULAR No. 5182 (SECOND SERIES).

**Silver: new regulations governing the application for Huchao to cover movements of silver dollars and other forms of silver, and the penalties to be imposed on smugglers of silver, notifying; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 7th December 1935.

SIR,

With reference to Circular No. 5170:\*

Informing you that, as a result of the Government Decree of the 3rd November 1935, bank-notes of the three Government banks (the Central Bank of China, the Bank of China, and the Bank of Communications) are to be accepted as legal tender and that the use of silver dollars or bullion for currency purposes is to be prohibited, and appending, *inter alia*, Ts'ai-chêng Pu instructions to the effect that, in order to afford convenience to the public, all banks, public bodies, revenue-collecting offices, and all Government-owned enterprises are to accept silver and silver dollars surrendered in exchange for legal tender notes, etc.:

and to Circular No. 5174:

Appending copy of the Regulations governing the Exchange of Silver for Legal Tender Notes, and of the Regulations governing the Use of Silver for the Manufacture of Silverware, and instructing that, if difficulty is experienced at any port in disposing of surplus silver dollars, no matter whether they are held in Customs custody or by the Customs Bank, such dollars should be handed over, in exchange for legal tender notes, to the bank or institution officially appointed by the Central Government banks to receive silver in exchange for legal tender notes, in accordance with the regulations:

I append, for your information and guidance, copy of Ts'ai-chêng Pu despatch No. 20397, from which you will see that all previous regulations governing the movement of silver dollars and other forms of silver, and the amount of silver that may be carried by passengers, etc., which conflict with the Government Decree

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\* *Antea*, vol. v, p. 521.

mentioned above, are to be cancelled, and that the Ts'ai-chêng Pu have now drawn up a new set of Regulations governing the Application for Huchao to Cover Movements of Silver Dollars and Other Forms of Silver, and the Penalties to be Imposed on Smugglers of Silver, which read as follows:—

- (1) All shipments of silver dollars or other forms of silver are to be effected by the Central Bank of China, the Bank of China, or the Bank of Communications. Shipments of silver dollars or other forms of silver made by the above banks must in every instance be covered by Ts'ai-chêng Pu Huchao (財政部准運護照) and may be released by the various Customs, barriers, or military or police authorities passed *en route* on production of such Huchao.
- (2) In places where no branch or agency of the Central Bank of China, the Bank of China, or the Bank of Communications has been established, when silver dollars or other forms of silver are exchanged (for legal tender notes) by banks, exchange shops, pawnshops, post offices, railway departments, shipping companies, telegraph offices, Government and local revenue-collecting organs, magistracies, or other public organisations or bodies, such silver is to be sent forthwith to the nearest office or agency of the Central Bank of China, the Bank of China, or the Bank of Communications to be changed into legal tender notes. The organisations effecting such shipments (hereafter called "exchange organs") are to issue certificates (證明書) specifying the quantity of silver dollars or other forms of silver thus forwarded and the name of the bank to which they are consigned, for submission to the military and police authorities passed *en route*, and are also to notify the bank to which such shipments are consigned so that the necessary arrangements can be made. Shipments of this nature when passing the Customs or Customs stations must, however, be covered by Ts'ai-chêng Pu Huchao.
- (3) When shipment is made of silver which has been purchased in accordance with the Regulations governing the Use of Silver for the Manufacture of Silverware (Circular No. 5174), a covering certificate (證明書) is to be issued by the bank from which

the silver was bought, but shipments of this nature when passing the Customs or Customs stations must be covered by a Ts'ai-chêng Pu Huchao.

- (4) Shipments of silver dollars or other forms of silver which are not covered by Ts'ai-chêng Pu Huchao and/or a certificate issued by an exchange organ, when seized by the military, by Government departments, by the police, or by the Customs, are to be confiscated. If such seizures are found to have been deliberately concealed with a view to clandestine shipment abroad, in addition to confiscating the silver, the offender is also to be handed over to the local court of justice to be dealt with in accordance with the Provisional Rules governing Punishments for Offences Endangering the National Currency (Circular No. 5124).
- (5) During the period within which silver may be exchanged for legal tender notes (*i.e.*, three months dating from the 4th November 1935—Circular No. 5174), the general public may transport silver dollars and other forms of silver to the nearest exchange organ in order to exchange them for legal tender notes.
- (6) Except under the circumstances provided for in Articles (1), (2), (3), and (5) of these regulations, travellers and employees on vessels and trains, going abroad or moving within the country, are forbidden to ship or carry any silver dollars or other forms of silver. Infractions of this regulation will be dealt with in accordance with Article (4) above.

You are requested to act accordingly and to issue a joint notification for the information of the public in consultation with the Superintendent.

Revised regulations regarding the issue of rewards and informants' fees, etc., will be incorporated in a separate Circular, and, pending receipt of further instructions from the Government, it is to be noted that—

- (a) Silver may still be imported from, and exported to, foreign countries in accordance with existing practice as laid down in Circulars Nos. 4971\* (excluding § 7, which is to be cancelled), 5003, 5012, and 5065†;

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\* *Antea*, vol. v, p. 450.

† *Antea*, vol. v, p. 483.

- (b) Silver shipped abroad must be covered by a suitable guarantee from an acceptable bank, as laid down in Circular No. 5094, and telegraphic reports of all shipments of silver to coast ports or for abroad are still required.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

財政部令錢字第二〇三九七號 中華民國二十四年十一月二十三日

令海關總稅務司

案查本部規定自本年十一月四日起，以中央中國交通三銀行所發行之鈔票定爲法幣，不得行使現金一案業經通令飭遵在案，自此項命令公布以後，所有迭次通行運輸銀幣銀類請領護照及限制人民攜帶銀幣銀類各法令，核其性質與行使法幣通案抵觸者，均應一律取消，并另定運輸銀幣銀類請領護照及私運私帶處罰辦法六條，以利施行，除分咨代電并通行外，合行抄發應行取消各項法令案由清單，及新定運輸銀幣銀類請領護照及私運私帶處罰辦法各一份令仰遵照，并轉飭各海關稅務司一體遵照。

此令。

應行取消各項法令案由清單

一、二十三年四月六日錢字第四五〇一號部令運輸銀兩及其他可供鑄幣銀類須領護照方准起運案

二、二十三年八月一日錢字第七〇三二號部令由內地運輸銀兩至上海天津漢口三處者由各關依照例辦理其由上海天津漢口三處運往內地者須依照前令呈准本部發給護照始准起運案



三、關務署二十三年十一月二十一日第二一〇號通令各關遇有報運現幣務須驗明部照方准起運如無護照運輸以私運論貨物照章沒收案

四、二十三年十二月十二日關字第一〇五〇八號部令規定旅客攜帶銀元數目軍警查獲無照私運現幣如超過一千元即予扣留案

五、二十三年十二月二十六日錢字第一〇八五八號通令第一一五七號通咨規定國內運輸現銀請領護照五項辦法

六、二十四年一月十日關字第一一三三五號部令規定旅客前往國內各地每人攜帶銀幣以一千元爲限出洋旅客概不准攜帶國幣三項辦法（令各關監督）

七、二十四年三月關字第一六〇一〇號署令規定船員水手准帶銀幣數目案

八、二十四年五月七日第二二二〇號代電鐵道部轉飭施行之北寧鐵路取締輾轉私運銀幣銀類出關辦法

九、二十四年五月本部核准北平市查禁私運現銀出境暫行辦法

十、二十四年五月二十四日本部核准膠海關監督呈請青島赴大連之勞工貧民攜帶川資在五十元以內經關員查詢時自行呈出可飭其向中國交通兩銀行購買匯票准予放行案

十一、二十四年五月二十五日本部核准威海衛陸路出境旅客攜帶銀幣數目案

十二、二十四年五月二十八日錢字第一四五六號指令總稅務司無照運輸銀幣溯流而上無偷運外洋之

企圖者科以二成罰金案

十三、二十四年六月十九日本部核准津海關監督凡天津出口工人攜帶現洋在二十元以內經關員查詢自行呈出者飭其購買中交兩行匯票放行案（令總稅務司轉飭遵辦）

十四、二十四年六月二十八日錢字第一六七〇〇號部令規定行駛海面之帆船准帶銀幣一百元逾額無照即予沒收案

十五、二十四年十一月一日本部錢字第一九五〇二號咨復河南省政府核定修正取締私運現銀出境辦法  
十六、二十四年五月十六日錢字第一五六二一號咨河北省政府核定河北省查禁私運現銀出口暫行辦法  
十七、二十四年五月二十一日部電北平袁市長所擬限制旅客出境攜帶現洋辦法

運輸銀幣銀類請領護照及私運私帶處罰辦法

第一條 凡運送銀幣銀類應由中央中國交通三銀行運輸

前項規定各銀行運輸銀幣銀類均應持有財政部准運護照方得起運沿途關卡或軍警憑驗部照放行

第二條 在中央中國交通三銀行未設有分支行或代理處地方經委託各銀行錢莊典當郵政鐵路輪船電報

各局國地稅收機關縣政府及其他公共機關或公共團體收換之銀幣銀類應即送交距離各該兌換機關最近之中央中國交通三銀行或其代理行號兌換法幣在運送時並應由各兌換機關備具證明書開明銀幣或銀類數目兌換法幣行名以供沿途軍警查驗並一面通知距離最近之兌換法幣銀行以資接洽但通過海關關卡時應憑財政部護照驗放

第三條 凡依照銀製品用銀管理規則購買銀料者其運送時應由發售銀料之銀行給予證明書以供查驗但通過海關關卡時應憑財政部護照驗放

第四條 凡未領領部照或并未攜有兌換機關證明書私行運輸銀幣銀類者經軍政警機關或海關查獲即予沒收充公

前項緝獲之銀幣銀類如查有故存隱匿意圖偷漏出口者并應將人犯送由當地法院按照妨害國幣懲治暫行條例懲處

第五條 各地人民在兌換法幣期限以內得攜帶銀幣銀類向距離最近兌換機關兌換法幣

第六條 除第一第二第三第五各條所規定者外凡出洋或往來國內之旅客及舟車員役等概不准運輸或攜帶銀幣銀類違者依第四條之規定分別辦理

## CIRCULAR No. 5184 (SECOND SERIES).

**Italo-Abyssinian War: League of Nations sanctions to be applied by China against Italy; Government instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 10th December 1935.

SIR,

With reference to my telegram of the 2nd instant:

Conveying Government instructions regarding League of Nations sanctions to be enforced by China against Italy\* during the present war between that country and Abyssinia:

I now append, for your information and guidance, copy of Kuan-wu Shu despatch No. 18777, from which you will see that the Executive Yüan have decided to apply the following sanctions against Italy:—

- (1) Beginning from the 1st December 1935 exportations of the following goods to Italy or Italian colonies shall be prohibited: (a) horses, mules, donkeys, camels, and all other animals used for transportation; (b) rubber; (c) bauxite, aluminium and alumina (aluminium oxide), iron ore and scrap iron, chromium, manganese, nickel, titanium, tungsten, vanadium, their ores and ferro-alloys (ferromolybdenum, ferro-silicon, ferro-silicon-manganese, ferro-silicon-manganese-aluminium), and tin and tin ore. The above substances include all crude minerals, metals, ores, scraps, and alloys.
- (2) Beginning from the 1st December 1935 no commercial contract of any kind shall be entered into with any Italian bodies, companies, or individuals for the importation of Italian goods.
- (3) Orders placed before the 1st December 1935, for which payment has not been made, shall be cancelled forthwith.
- (4) Orders placed before the 1st December 1935, for which full payment, or payment of more than 20 per cent, has been made, may still be executed.

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\* For English text of the League's resolutions in this connexion, *vide* "The China Year Book," 1936, pp. 184, 185.

- (5) Italian goods already *en route* to China will not be prohibited entry, but they must arrive before the 1st January 1936. The importation of Italian goods on expiry of the above time-limit shall be prohibited.
- (6) Goods originating from Italy or Italian colonies but partially manufactured in other countries, as well as goods partially manufactured in Italy or Italian colonies, shall not be allowed to enter China after the 1st January 1936, unless 25 per cent or more of the value of such goods is attributable to processes undergone since they last left Italy or Italian colonies.
- (7) The importation of the following articles (from Italy or Italian colonies) shall still be allowed even after the 1st January 1936:
  - (a) Gold and silver bars and coins.
  - (b) Books, newspapers, periodicals, and maps.
  - (c) Marine charts and printed matter and music records.
  - (d) Personal effects of passengers.
- (8) Goods imported or exported in contravention of the foregoing prohibitions shall be treated as smuggled goods and dealt with according to the provisions of the Preventive Law.

The Shih-yeh Pu have been instructed to notify the various chambers of commerce regarding all matters concerning contracts mentioned above.

I have to request you to be guided by the above instructions and in this connexion to note the following:—

- (1) The term “arrive” in Article (5) above is to be interpreted according to the ruling given in § 2, (b), of Circular No. 4896.\* The terms of this Circular, § 2, (c), (d), (e), and (f), are also to be applied in the case of transshipments, through cargo, over-carried cargo, and short-shipped cargo. It is, however, to be noted that Italian goods covered by documents proving that payment of 20 per cent of the value has been made before 1st December 1935 are to be allowed to be imported even if they arrive later than 1st January 1936.

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\* *Antea*, vol. v, p. 395.

- (2) Italian goods landed in China from vessels entering at the Customs before 1st January 1936 may be bonded and may, in accordance with the Bonding Regulations, be withdrawn from bond at any time within one year from date of entry into bond.
- (3) As regards goods coming under the categories described in Article (6) above, the onus of proving that the stipulated requirements have been met rests with the would-be importer. If the proof is not completely satisfactory to the Customs at the port of importation, the case concerned, with copies of all the relevant documents, should be referred to the Inspectorate.
- (4) The term "music records" in Article (7), (c), above is to be interpreted as including music printed in sheets or books as well as gramophone and pianola records.
- (5) Postal parcels from and to Italy are *mutatis mutandis* to be treated in accordance with the eight articles quoted above.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

財政部關務署密訓令政字第一八七七號 中華民國二十四年十一月三十日

令總稅務司梅樂和

案奉

部發下

行政院本年十一月二十八日第六一八八號訓令內開：

「案據外交部迭次來呈關於國聯對義制裁案第三、四兩項建議，業經國聯制裁方案調整委員會決定於十一月十八日實行。我國以限期匆迫，經由該部電令國聯代表辦事處向國聯秘書長聲明我國對於實行日期，尚在考慮，俟決定後，再行通知。查我國對於制裁案之各項建議，既已向國聯聲明接受，對於第三、四兩項建議，自應予以施行。茲本院根據該兩建議內所列辦法，及國聯十八國委員會十一月六日之決議，規定實行辦法如下：

(一) 下列各項貨物，輸往義國及其屬地者，自十二月一日起一律禁止。

(甲) 馬，騾，驢，駝以及各種運輸動物。

(乙) 橡皮。

(丙) 礬土 (Bauxite) ，鋁，養化鉛，鐵苗及碎鐵，鑛 (Chromium) ，錳，鎳，錯，鎢，鈳，  
(Vanadium) 及其鑛苗與鐵之合金(銅鋼 (Ferro-Molybdenum) ，高矽鋼 (Ferro-Silicon) ，  
孟矽鋼 (Ferro-Silicon-Manganese) ，孟矽鋁鋼 (Ferro-Silicon-Manganese-Aluminium) ) ，錫  
及其鑛苗。

上述之物，包含一切未煉之鑛質及金屬，鑛苗，碎片，及合金。

(二) 自十二月一日起，關於輸入中國之義國貨物，不得再與義方任何團體或公司或私人訂立任何商業契約。

(三) 十二月一日以前未曾付款之購貨契約，應即取消。

(四) 凡在十二月一日以前款已付清，或已付百分之二十以上之購貨契約免予取消。

(五) 輸入中國之義國貨物已在途中者，免予禁止輸入，但以民國二十五年一月一日以前入口者為限，過此期限，禁止輸入。

(六) 凡在義國或其屬地出產而在他國經過一種變動手續之貨物，以及一部在義國或其屬地製造，一部在他國製造之貨物，如在民國二十五年一月一日以後入口者，亦應禁止輸入，但如



該項貨物從最後地點輸出時，其百分之二十五以上之價值，乃因經過某種變動手續而獲得，而此種手續又在貨物離開義國或其屬地以後施行者，免予禁止。

(七) 下列各項物品，即在民國二十五年一月一日以後入口者，亦不禁止輸入：

(甲) 金銀大條硬幣。

(乙) 書報雜誌地圖。

(丙) 航海圖類印刷品製版音樂。

(丁) 旅客隨身所帶物件。

(八) 凡違背禁令之貨物，不論為輸入或輸出，均以私貨論。按照海關緝私條例辦理。

上述辦法內關於契約事項，應由實業部迅令各地商會轉飭各商人及商業團體一體遵照，關於貨物輸出入之禁令事項，應由財政部迅令各海關遵照。除分令實業部外，合行令仰該部遵照辦理，並將辦理情形具報。」

等因，奉此，除由部通令各關監督遵照，並呈報

行政院鑒察外，合行令仰該總稅務司遵照辦理為要。此令。

## CIRCULAR No. 5195 (SECOND SERIES).

**Italo-Abyssinian War: League of Nations sanctions: to be applied by China against Italy; arms and ammunition shipped to Italy *via* China to be reported to League through Kuan-wu Shu.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 21st December 1935.

SIR,

In continuation of Circular No. 5184:\*

Informing you that the Government had decided to enforce against Italy the economic sanctions agreed upon by the League of Nations, and conveying to you the orders in this connexion of the Executive Yüan and instructions for your guidance:

I have now to append, for your information and guidance, copy of Kuan-wu Shu despatch No. 18843, from which you will see that the President has approved the suggestion, made jointly by the Vice-Ministers of the Ministries of War and of the Navy, that, as China does not export arms and ammunition manufactured in China, she should keep the League of Nations informed of any consignments of arms and ammunition from other countries transhipped to Italy or Italian territories *via* China. From this despatch you will also notice that strict instructions in this matter have already been issued to the various Ministries concerned as well as to the provincial and the municipal authorities, and that the Customs are to be instructed to keep a strict look-out and to report any such transhipments.

Should, therefore, any consignment of arms and/or ammunition pass through your port as a transhipment or as through cargo, which is destined for Italy or an Italian territory or protectorate, or which you have good reason to believe is so destined although not so declared, you are immediately to send to me a detailed report of such consignment, accompanied by a Chinese version in duplicate. This report should include name, flag, and tonnage of vessel; name and nationality of captain; declared port from which arriving; declared port of destination; nature and amounts of the arms and/or ammunition carried; and nature of documents under which consigned, with, if possible, names of consignor and consignee.

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\* *Antea*, vol. v, p. 537.

No directions, you will note, have been given whether any attempt should be made to detain a vessel conveying a transshipment or through-cargo consignment of arms and/or ammunition destined for Italy or Italian territory, and you are accordingly to refrain from taking any action of this nature unless you receive specific instructions from me to do so. Should, however, a vessel of any nationality touch at your port with a consignment of arms and/or ammunition destined for Italy or Italian territory, whether transshipment or through cargo, you are to telegraph to me at once the details called for in the preceding paragraph and await my instructions.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

財政部關務署訓令政字第一八八四三號中華民國二十四年十二月七日

令總稅務司梅樂和

案奉

部長發下。行政院本年十一月三十日第六二三五號密令，內開：

「案准國民政府文官處本年十一月二十一日密字第一九八號公函開：『案查關於國聯援用盟約對義實施制裁案，我國施行辦法，前經中央政治會議核定，於十月二十三日函達到府，當奉分令貴院及軍事委員會遵照辦理在案。茲由軍事委員會十月二十九日十一月十四日先後呈府，爲奉令經飭據軍政部曹次長浩森，海軍部陳次長訓泳會擬呈復，以我國非軍火輸出國家，如有他國運輸軍火過境，轉往義國時，應通知海關嚴密注意，並隨時報告國聯，此外實施辦法，須由政府臨時決定等語。呈請鑒核等情；奉主席諭：「交行政院轉飭查照，並函達中央政治會議。」等因；除分函外，相應抄同原呈，函達查照辦理。』等由；准此，查國聯調整委員會對義制裁第一項建議，係關於對義軍火之禁運，現軍事委員會擬定實施辦法，自應照辦，除令行鐵道交通軍政海軍四部，及各

省市政府分別轉飭所屬隨時注意，暨令知外交部外，合行抄發原件，令仰該部轉飭各海關遵照，嗣後如有他國運輸軍火過境轉往義國時，務須嚴密注意，並將情形轉報本院及外交部。」

等因。除已由部抄發原件，令行各海關監督轉行各該關稅務司遵照注意，如有前項情形并應隨時轉報以憑核轉外，合行抄發原件，令仰該總稅務司遵照注意，如有前項情形并隨時報署，以憑轉報。此令

計抄發軍事委員會原呈兩件及國聯調整委員會對義制裁第一項建議一份

抄原呈

案奉

鈞府密字第七九號訓令並附件飭令遵照國聯議決案規定對義實施辦法等因奉此自應遵照辦理除飭軍政部曹次長浩森海軍部陳次長訓泳會定辦法呈會核轉外理合先行具文呈復仰祈

鑒察謹呈

國民政府

國民政府軍事委員會委員長蔣中正呈

抄原呈

竊查前奉

鈞府令飭遵照國聯議決案規定對義實施辦法等因一案業經呈復由軍政部曹次長浩森海軍部陳次長訓泳會擬呈核在案茲據該兩次長會復節稱當經會同籌議以我國既非軍火輸出之國家對於第一種辦法似無直接關係但如有他國運輸軍火過境轉往義國時應通知各海關嚴密注意並隨時報告由政府通告國聯此外究應如何採取實施辦法因我國與義國相距甚遠且有種種情形頗難預擬似須臨時由政府酌量決定等情據此所擬尙合除指令外理合據情備文呈請

鑒核謹呈

國民政府

軍事委員會委員長蔣中正

國聯調整委員會第一項建議

茲爲便利會員國，遵行盟約第十六條之義務，下列辦法，須立即施行。

一、會員國凡有禁止或制限軍火軍械對阿比西尼亞輸出，轉輸，或經過者，此種辦法，立予廢止。  
二、國聯會員各國政府，立行禁止附表所列軍火軍械，對義大利或其屬地輸出，轉輸，或經過。  
三、國聯各國政府採取必要步驟，使附表所列軍火軍械，輸於義大利以外各國家者，不至直接或間接再運往義大利或其屬地。

四、第二第三項訂立辦法適用於正在履行之契約。并請各政府以其對於上述所有辦法，如何施行，儘速由秘書長轉知委員會。

茲附列專家小委員會所審訂之修正表，以之代替第一建議之附表。其所考慮之物品係軍火與軍器第一類（一）來復槍、及小手銃、與其槍管。

（二）各種口徑及管度之機關槍、自動來復槍、機關手槍。

（三）各種口徑之槍、短砲、臼砲、及其配管與旋轉機件。

（四）上述（一）及（二）項所列軍器應用之軍火、（三）項所列軍器應用之空實殼碼、暨此等軍器之備

射充氣。

（五）空實之榴彈、彈、魚雷、水雷及其發射之用械。

（六）唐克車、裝甲運器、鐵甲火車、及一切裝甲品。

第二類各種戰船、包括航空母艦及潛水艇在內。

(譯音註航空專門名稱、係根據中央航空學校所編航空用語辭典)

第三類(兼包調整委員會公文內第三類與第五類)

(一)裝合與拆卸之航空器、兼包其比空氣爲重及比空氣爲輕者、與其螺旋槳或空中槳、機體、空中槍礮架或槍礮台、機殼、尾組、起落架組。

(二)航空器之機器。

第四類手槍及自動手槍、超過一磅六兩重量(六三〇格)者。

第五類(一)燃燒彈及一切化學或燃燒戰爭所用之其他發射物。

(11) Mustard (毒氣 Lewiste Ethyldichlorarsine Methylchlorarsine) 與其他毒氣以爲化學或燃燒戰爭之用者。

(三)作戰及爆發所用之粉。

主席於採用上文時，爲下列之宣言，關於第五類(一)及(二)項之物品，按照一九二五年公約，業已禁其使用，現仍禁其使用，而復述及此者，以其用途日廣，遂致製造更無限制耳。委員會鄭重聲明此各種出品絕對不得運往義大利。



## CIRCULAR No. 5197 (SECOND SERIES).

Smuggling: posting of non-duty-paid foreign goods at "inland" coastal and frontier post offices: introduction of modified procedure for Customs control of, notified; instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 26th December 1935.

SIR,

1.—With reference to Circular No. 4978:\*

Notifying the introduction of a scheme of Customs control over parcels posted at "inland" post offices in certain coastal and frontier districts, whereby all parcels, with the exception of those addressed to places at which Customs examination can be performed, are forwarded *à découvert* to the nearest post office at which the Customs function:

I have to inform you that in May of this year I drew the attention of the Director General of Posts to the fact that there had been a marked growth in the amount of foreign goods clandestinely entering the country through the coasts of Kiangsu and Chekiang, and I suggested that, in order to provide against the possibility of the parcel post being used as a means for the distribution of such smuggled goods, the procedure whereby parcels are forwarded *à découvert* to their destinations through the nearest post office at which the Customs function should be extended to operate in respect of post offices which are favourably situated for smuggling in the coastal districts of Kiangsu and Chekiang. In his reply the Director General indicated that, while he was ready to assist in safeguarding the revenue in every practicable way, he was unwilling to agree to an extension of the procedure as suggested, because the necessity for parcels having to deviate from their routes in order to undergo Customs examination caused considerable inconvenience and delay both to the public and the post office. At the same time he took the opportunity to put forward a proposal that the procedure should be modified to allow parcels to be sent direct to their destinations, copies of the relative way bills, which are numbered consecutively, being forwarded to the nearest Custom House and examination

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\* *Antea*, vol. v, p. 455.

taking place only when there is suspicion that the parcels contain smuggled goods. As it was obviously not desirable for the Customs to insist upon the retention of a form of control detrimental to Postal interests, it was evident that a modification of the existing procedure was called for, and, therefore, on the Director General's assurance that the vigilance of Post Office employees, whetted by the promise of rewards from the Customs, could be relied upon to discourage smuggling through the post, I signified my readiness to give a trial to his suggestion, and I drew up the outline of a more definite arrangement to supersede tentatively the existing scheme.

2.—The new procedure, a summary of which forms Enclosure No. 1 to the Circular, is to be put into effect tentatively as from the 1st January 1936 in place of the present arrangement whereby parcels are forwarded *à découvert* to the nearest post office at which the Customs function. I realise that this departure constitutes in effect a relinquishment by the Customs of all but a nominal control over parcels posted at "inland" coastal and frontier post offices. To all practical purposes it throws the responsibility for the suppression of smuggling through the post on to the shoulders of the Post Office. I trust, however, that my action in thus removing what has proved to be an embarrassing restriction on postal traffic will be justified by the alertness of Postal employees, who have recently been instructed by the Director General of Posts to afford the required co-operation with the Customs in the detection of smuggled goods. It is nevertheless incumbent upon us to continue to pay careful attention to the flow of postal traffic in coastal and frontier districts. Under Rule 4 of the new procedure the Customs may take the initiative in demanding examination of suspected parcels. Apart from the receipt of information from an outside source, the only way in which the Customs will be able to exert any control will be through the scrutiny of parcel way bills. If, therefore, the way bills received from any particular post office indicate an unusual volume of traffic at that office, you should request the Postmaster to forward a representative selection of the parcels for examination. Should it be found that the parcel post continues to be used as a channel for the distribution of smuggled goods, it will be necessary to reconsider the situation with a view to improving control. Accordingly, after the new procedure has been in force for a period of three months, you are to submit a report indicating the extent to which the parcel post in your district is being used as an agency for smuggling and giving your views as to whether, under this modified form of control, Customs interests are adequately protected.

3.—I enclose also a list\* of the places with Customs establishments at which parcels handed in at post offices in coastal and frontier districts may be examined. In order to avoid misunderstandings, you should ascertain from the local Postal Commissioner the names of the post offices by which those of the establishments listed in Enclosure No. 2\* to this Circular which are under your control will be regarded as “the nearest Customs establishment” in accordance with Rules 2, 3, and 4 of the new procedure. When examination takes place, the instructions of Circular No. 4978, § 2, are to be followed.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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ENCLOSURE.

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SUMMARY OF PROCEDURE GOVERNING PARCELS  
POSTED AT “INLAND” COASTAL AND FRONTIER  
POST OFFICES.

1.—Parcels handed in at post offices in coastal and frontier districts (as defined) shall not be subject to Customs examination except as provided for in Rules 3 and 4 hereunder.

2.—Copies of every way bill issued in respect of such parcels shall be sent to the nearest Customs establishment for scrutiny and record.

3.—Should the Postmaster have reason to suspect, either from an unusual flow of parcel traffic, or from the presentation of parcels containing goods not indigenous to his district, or from any other cause, that the post is being used as an agency for smuggling, he shall, at his discretion, arrange for the suspected parcels, or for a representative selection thereof, to be forwarded, under postal seal, to the nearest Customs establishment for examination by the Customs.

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\*Not printed.

4.—Should the Customs have reason to suspect either that the post in any particular district is being used as an agency for smuggling, or that any particular category of parcels contains non-duty-paid foreign goods, they may make known their suspicions to the Postmaster concerned and may request him to arrange, at his discretion, for the suspected parcels, or for a representative selection thereof, to be forwarded, under postal seal, to the nearest Customs establishment for examination by the Customs.

5.—The Customs shall issue to the Postmaster concerned, for distribution in accordance with Postal regulations, a reward equal to four-tenths of the proceeds of any seizure that may result from parcels being forwarded to the Customs for examination at the Postmaster's own instigation as under Rule 3 above.

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CIRCULAR No. 5236 (SECOND SERIES).

**Information: introduction of special form [C.—77] for registration of: notification to be issued setting forth conditions under which information is accepted and rewarded; appeals from informants to Kuan-wu Shu or Inspector General to be transmitted through Commissioners; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *26th March 1936.*

SIR,

With reference to previous Circulars:

Regarding the acceptance of information and the issue of informants' fees:

and to Circular No. 4019:

Authorising the issue of informants' fees at the increased rate of four-tenths of the amount realised by fine or by the sale of the goods confiscated:

I now have to inform you that, while the issue of informants' fees at this increased rate has had the desired effect of bringing in an additional amount of valuable information leading to the discovery of smuggling offences or of other forms of fraud on the revenue, it has also led to a greater tendency on the part of informants to

dispute Commissioners' decisions regarding the issue of the fees. As a result there has been a steady increase in correspondence in connexion with complaints from dissatisfied informants. It is recognised, of course, that these disputes are to a certain extent unavoidable, seeing that persons who supply information do so for purely mercenary reasons and, having little to lose but much to gain, are naturally inclined to protest against any decision which does not bring to them the reward that they had hoped for. Experience has shown, however, that in the majority of cases the complaints are entirely unjustified and are due either to ignorance of the conditions under which information is accepted by the Customs or to purely selfish and unscrupulous motives.

With the object of discouraging frivolous and unwarranted complaints, I recommended to the Kuan-wu Shu that the registration of information should be regularised by the use of a special form, and that a public notification should be issued at all ports setting forth the conditions under which information is accepted by the Customs. From Kuan-wu Shu despatch No. 19804, copy of which is appended, you will see that my recommendation has been approved.

The new form, *pro forma* appended, is self-explanatory and is to be used whenever possible in the registration of information. I realise that in certain instances, *e.g.*, when information is received by telegram, it will be impossible for the signature, seal, or mark of the informant to be obtained. In such cases no receipt is to be issued for information supplied, and the subsequent identification of the informant for the payment of the reward must rest entirely with the Commissioner.

The notification, copy of which, with English version, is also appended, is to be given the widest publicity and, in addition to being posted at your head office and at all stations and barriers in your district, is to be published in the local Chinese press.

Finally, I have to emphasise that, while the notification directs that informants desiring to appeal either to the Kuan-wu Shu or to myself must do so through the Commissioner, it is not to be implied that the latter has authority to refuse to transmit petitions received, for every Chinese citizen possesses the right to appeal to higher authorities. Accordingly, all such petitions are to be accepted and transmitted to me without delay together with a full report on each case.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

ENCLOSURE No. 1.

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財政部關稅署指令政字第一九八〇四號中華民國二十五年三月四日

令總稅務司梅樂和

二十五年二月二十八日八八六號呈一件擬定眼線報告書證格式及布告底稿請核示等情由呈悉，所呈各節，係爲避免眼線爭執緝私獎金起見，原擬報告書證格式，及布告底稿，均尙妥適，應准照行，餘如擬辦理，此令。附件存。

## ENCLOSURE No. 2.

[C.—77]

號數

No. ....

(密件 CONFIDENTIAL.)

## 線人報告書

## INFORMANT'S STATEMENT.

報告第 號 報告日期 年 月 日 時間  
 Information Case No. .... Information supplied on ..... at. ....  
 線人姓名或別號(其不願用真姓名者聽)  
 Name or Pseudonym of Informant (Name not essential) .....  
 線人通 訊 處  
 Address of, or means of communicating with, Informant .....  
 報告事由摘要  
 Summary of Information supplied .....

線人押款數目報告之時效  
 Amount of Deposit paid, if any .... Time-limit for Validity of Information .....

所有根據本報告海關查緝私貨,無論有無獎金或獎金數目多寡悉聽稅務司照章核辦,一經決定線人甘願遵從決不發生異議,附此鄭重聲明

The above information is supplied to the Customs on the full understanding that I will accept the Commissioner's decision in regard to the issue of informant's fees as fair and just and without dispute.

線人簽字蓋章或畫押

Signature, Seal, or Mark of Informant.

此單應交線人收執  
 To be handed to Informant.

號數

No. ....

## 線人報告憑證

## INFORMANT'S RECEIPT.

案據線人來關報告消息並聲明無論有無獎金或數目多寡甘願遵照海關第 號布告規定悉聽稅務司照章核辦決不發生異議等語業經本關將該項報告編列第 號在案茲特發給此證交該線人收執嗣後向關領獎卽以此證為憑不能呈驗此證者作為無效

In consideration of information supplied and recorded under Case No. ...., this Receipt is issued for purpose of identification. No informant will be recognised as entitled to informant's fees unless this Receipt is produced. In supplying the information in question, the informant promised that he would accept without dispute the decision of the Commissioner of Customs in regard to the issue of informant's fees as fair and just. (Vide Customs Notification No. ....)

關員簽字

Customs Officer's Signature.

關

CUSTOM HOUSE,

民國 年 月 日

.....19....

## ENCLOSURE No. 3.

## 關布告

查海關現行發給眼線獎金辦法，係將因據線報所緝獲漏稅私貨之變價，提成給獎，最多以四成爲限，歷經照辦在案。茲爲免除眼線人等對於海關決定給獎辦法，發生爭執起見，特予剴切告知。凡有眼線來關告密，必須經本關體察其所報情形，認爲適合，方予接收，否則得拒絕受理。其線報經關接收後，仍應俟派員前往查緝，證明所報屬實，並經關員將私貨緝獲，始能照章給獎。不得藉口海關接收密報，無論所報是否確實，以及已否將私貨緝獲，即行索發獎金。且眼線人等，對於海關給獎與否之決定，必須切實遵從，不得藉詞爭論，故起糾紛。自此次布告以後，各眼線來關告密，自應對於上述各節，甘願遵守，並無異議。即或對於海關決定辦法，有所不服，擬向上級官署呈訴時，亦須呈由本關轉呈核辦，合亟布告周知。此布。

中華民國

年

月

日



NOTIFICATION.

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The public are hereby notified that persons who supply information to the Customs leading to the discovery and seizure of smuggled goods will be rewarded by the payment of a portion, not exceeding four-tenths, of the proceeds of the seizure. The Commissioner of Customs, however, has the right to refuse or accept information supplied, but acceptance of information does not bind the Commissioner of Customs to issue a reward therefor. The reward is issuable only if the information when acted upon proves to be correct and leads to the seizure of the goods specified. An indispensable condition of the acceptance of information is willingness on the part of the informant to abide by the decision of the Commissioner of Customs in all matters pertaining to the issue of the reward. The fact that information is tendered will be taken as indicating complete acceptance on the part of the informant of the above condition. Should an informant desire to appeal to the Kuan-wu Shu or the Inspector General of Customs in connexion with a case, he must do so through the Commissioner of Customs.

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## CIRCULAR No. 5251 (SECOND SERIES).

**Financial Medal: to be issued by Ministry of Finance: institution of, and regulations for, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 13th April 1936.

SIR,

I have to circulate for your information copy of Kuan-wu Shu despatch No. 19942, from which you will see that the Government have instituted a Financial Medal, which, after the approval of the Executive Yüan has been obtained, will be issued by the Ministry of Finance to officials who have rendered meritorious service in accordance with the provisions laid down in the regulations which form an enclosure to the despatch now circulated and of which an English translation is appended for easy reference.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE No. 1.

財政部關務署訓令總字第一九九四二號中華民國二十五年三月十七日

令總稅務司梅樂和

案奉本部參字第二三四一二號訓令內開

「查財政獎章規則業經本部擬定呈奉

行政院核准備案應即通飭施行除另令公布並分行外合行抄發規則一份令仰知照並轉飭所屬一體知照」

等因並附發財政獎章規則一份分令到署合行令發該署遵照辦理

此令

附發財政獎章規則一份

財政獎章規則

第一條 凡服務於各級財務機關公務員於職務上著有勞績合於左列各款之一者除法令別有規定外得依本規則給予財政獎章

一、服務在五年以上確有勞績者

二、辦理重要機密案件特別勤勞者

三、對於財政有專門著述或有特殊建議經採納施行者

四、辦理稅務超過比額繼續至三年以上者

五、發覺漏稅案件因而緝獲在一萬元以上者

六、勸募鉅額公債庫券繳款迅速者

七、在非常時期維護財政確有事實者

八、其他有特別勞績經主管長官臚陳事實呈准有給予獎章之必要者

第二條 非財務機關人員於財政上有特殊勞績合於左列各款之一者得給予財政獎章

一、對於政府財政計畫有特殊貢獻增加庫收者

二、捐輸鉅款於國庫者

三、認銷鉅額公債庫券繳款迅速者

四、協助財政機關辦理重大案件著有勞績者

外國人民於財政上有特殊勳勞者亦得給予財政獎章

第三條 財政獎章之等級如左

(一)一等一級財政獎章(二)一等二級財政獎章(三)一等三級財政獎章(四)二等一級財政獎章

(五)二等二級財政獎章(六)二等三級財政獎章(七)三等一級財政獎章(八)三等二級財政獎章

(九)三等三級財政獎章

第四條 財政獎章頒給之次第如左

簡任初受一等三級荐任初受二等三級委任初受三等三級均得累功遞進至一等一級但因特別勞績應示優異者得超一級給予

聘任人員或非財務機關人員及外國人民應按其勞績分等頒給

第五條 凡應給予財政獎章者由主管長官開具事實呈請財政部長核轉行政院批准後由財政部頒給之

頒給公務員財政獎章並由財政部咨請鈐敍部備案頒給外國人民財政獎章並應咨請外交部備案

第六條 財政獎章給予時除註冊外並附給證書

第七條 財政獎章應於着禮服或制服時佩於上衣左衿

第八條 晉受獎章時應將前受之獎章繳部

第九條 受獎章者得終身佩帶但有因刑事處分褫奪公權之宣告業經確定或因違反法令致受免職處分時

應由部追繳之

第十條 財政獎章及證書如有遺失得聲敘緣由取具現任荐任職以上公務員一人之證明書呈請補給但於

獎章及證書上註明補給字樣其原件如經查獲應即呈部註銷

第十一條 領受或補領獎章者須繳納獎章鑄造費一等陸元二等肆元三等貳元

第十二條 財政獎章及綬並證書之式樣依附式之規定

第十三條 本規則自公布日施行

ENCLOSURE No. 2.

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## REGULATIONS GOVERNING ISSUE OF FINANCIAL MEDALS.

ARTICLE 1.—The Financial Medal shall be conferred, in accordance with these Regulations, on officials of the various Financial Departments who have deserved recognition for meritorious service in conformity with any one of the following categories, except when provision already exists in other Government regulations or orders:—

- (1) Those who have served for more than five years and really earned merit.
- (2) Those who have been exceptionally diligent and energetic in handling important and confidential matters.
- (3) Those who are authors of special publications on public finance, or who have submitted exceptional suggestions on financial matters, which have been adopted by the Government.
- (4) Those who have been able to collect revenue in excess of the fixed quotas for more than three successive years.
- (5) Those who are responsible for the discovery of a case of smuggling which has resulted in a seizure valued at more than \$10,000.
- (6) Those who have raised a large subscription for National Loan Bonds or Treasury Notes and have remitted the proceeds in a speedy manner.
- (7) Those who, in abnormal times, have helped to maintain the financial affairs of the Government in a manner borne out by facts.
- (8) All others of exceptional merit, detailed particulars of which have been submitted by the officer in charge of the department concerned with recommendation for the issue of a Financial Medal, such recommendation having been approved.

ARTICLE 2.—The Financial Medal shall be conferred on officials not serving in Financial Departments who have earned in connexion with financial affairs exceptional merit in conformity with any one of the following categories:—

- (1) Those who have submitted special proposals in connexion with the financial plans of the Government, to which is attributable an increase in the Treasury's receipts.
- (2) Those who have contributed large sums to the National Treasury.
- (3) Those who have subscribed for a large amount of National Loan Bonds or Treasury Notes and have remitted the proceeds in a speedy manner.
- (4) Those who have earned merit by assisting Financial Departments in the handling of important matters.

The Financial Medal shall also be conferred on foreigners who have performed specially meritorious service in connexion with Government finance.

ARTICLE 3.—The Financial Medal shall be of the following grades:—

- |                           |                           |
|---------------------------|---------------------------|
| (1) 1st Class: 1st Grade. | (6) 2nd Class: 3rd Grade. |
| (2) 1st Class: 2nd Grade. | (7) 3rd Class: 1st Grade. |
| (3) 1st Class: 3rd Grade. | (8) 3rd Class: 2nd Grade. |
| (4) 2nd Class: 1st Grade. | (9) 3rd Class: 3rd Grade. |
| (5) 2nd Class: 2nd Grade. |                           |

ARTICLE 4.—The order in which the Financial Medals of various grades shall be issued is as follows:—

The first issue to officials holding the ranks of "Appointment by Selection" (簡任), "Appointment by Recommendation" (薦任), and "Inter-Office Appointment" (委任) shall be 1st Class, 3rd Grade; 2nd Class, 3rd Grade; and 3rd Class, 3rd Grade, respectively. Higher classes up to 1st Class, 1st Grade, shall be awarded progressively for further merit. In cases where exceptional merit deserves preferential treatment, a Medal of one grade higher than that issuable in ordinary cases may be specially conferred. The class and grade of Financial Medals to be conferred on officials of 聘任, or on officials not serving in a Financial Department, or on foreigners, shall be decided according to the nature of their merit.

ARTICLE 5.—When a Financial Medal should be conferred on an official, a detailed statement giving particulars of the merit displayed by the official shall be submitted by the officer in charge of the department concerned to the Minister of Finance, who, after the approval of the Executive Yüan has been obtained, will issue the Medal. The conferment of Financial Medals on Government officials and on foreigners shall be reported for record to the Ministry of Civil Service and the Ministry of Foreign Affairs respectively by the Ministry of Finance.

ARTICLE 6.—The conferment of a Financial Medal shall be registered, and the Medal shall be accompanied by a Brevet.

ARTICLE 7.—The Financial Medal shall be worn on the left breast when the holder is in formal dress or uniform.

ARTICLE 8.—When a Financial Medal of a higher class or grade has been received, the Medal previously held shall be returned to the Ministry of Finance.

ARTICLE 9.—Holders of Medals may wear them for life, but those who have been definitely deprived of their civil rights as punishment for a criminal offence, or who have been dismissed from office owing to breach of Government orders and regulations, shall be called upon by the Ministry of Finance to surrender their Medals.

ARTICLE 10.—In the event of a Financial Medal and its covering Brevet being lost, the holder may apply for their reissue by submitting to the Ministry a statement giving the necessary explanations for the loss, this statement being accompanied by a certificate of correctness signed by a Government official holding the rank of 薦任 or above. The word “reissue” shall be entered on the Medal and Brevet, and the original Medal and Brevet, if found, shall be surrendered to the Ministry for cancellation.

ARTICLE 11.—A fee of \$6 shall be charged for the issue or reissue of a Medal of the 1st Class, \$4 for that of the 2nd Class, and \$2 for that of the 3rd Class.

ARTICLE 12.—The designs of the Medals, ribbons, and Brevets are shown in the appended illustrations.\*

ARTICLE 13.—These Regulations shall come into force from the date of promulgation.

## CIRCULAR No. 5259 (SECOND SERIES).

**Staff: conduct and discipline: Government's Order for eradication of official corruption, conveying; I.G.'s observations and instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *24th April* 1936.

SIR,

1.—I append, for the careful attention of yourself and your staff, copy of Kuan-wu Shu despatch No. 20084, giving cover to a copy of the Executive Yüan's Order No. 1499. The latter, you will observe, ordains the eradication of the following forms of malpractice on the part of Government officials:—

- (1) Embezzlement of official funds.
- (2) Unauthorised appropriation of public property.
- (3) Improper use of public property.
- (4) Waste of public funds.
- (5) Falsification of accounts.
- (6) Receiving a commission on the sale and/or purchase of articles (for official use) and on financial transactions.
- (7) False declaration of prices.
- (8) Drawing salary and/or allowances for posts held concurrently.
- (9) Drawing pay without attending office.
- (10) Pocketing interest earned on official moneys.

The Customs Service, I am happy to be able to state, has always enjoyed a high reputation for administrative honesty and integrity, even though individual cases of misdemeanour of comparatively minor importance have come to light occasionally. When such cases have occurred, however, they have invariably been dealt with drastically and the culprits have been severely punished, with dismissal and, sometimes, prosecution. A high standard of honesty is, in fact, the principal foundation upon which the Service has been built up, and the elimination of all forms of corruption has been, and will continue to be, relentlessly pursued.

2.—There is no reason, therefore, to suppose that in issuing their Order No. 1499 the Executive Yüan have had past delinquencies in the Customs Service particularly in mind, but it behoves us all, nevertheless, to take careful heed of their injunctions and to see



to it that the Service continues to deserve the good name it has enjoyed in the past. I trust that the entire Staff will appreciate the significance of the Government's efforts—as manifested by the above Order—to remove malpractice in any shape or form wheresoever possible.

While sufficient Circular instructions have been issued from time to time on the importance of scrupulous integrity in all sections of the Service and on the necessity for the strictest economy in the expenditure of official moneys, I take this opportunity to place on record my appreciation of the efforts which have been made in recent years by most Commissioners and officers in charge for the conservation of Service funds, and to say that I shall always welcome any suggestions which members of the Staff may wish to submit—through the regulation official channels, of course—with this end in view.

A copy of this Circular, in Chinese and English, is to be placed in your Order Book.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

財政部關務署訓令總字第二〇〇八四號中華民國二十五年三月三十一日

令總稅務司梅樂和

案准本部秘書處三月十八日函開：

「案奉 部長發下 行政院二十五年三月九日第一四九九號訓令爲剷除舊染汚俗樹立廉潔政事一案並奉 部長批諭認真查明清除並將辦理情形具報等因除由部通令部外各直轄機關遵辦外相應由處抄同院令函達查照即希遵諭清查並望於一個月以內將辦理情形具復以憑轉呈核復爲盼」

等因附抄送院令一件到署自應遵辦除分令外合行抄同行政院第一四九九號訓令一件令仰遵照並飭屬一體遵照此令

附抄發院令一件

照抄行政院二十五年三月九日第一四九九號訓令

國家積弱已久，政府積弊日深，本院長受任以來，環顧外患之嚴重，內憫物力之凋殘，觸目傷心，忘餐廢寢，深維國家之敗，實由官邪，官之失德，寵賂用彰，今欲修明政治，首當剷除貪污，查公務人員中，謹厚者固多，廉隅自守，不待申儆，其不肖者，長官監視稍懈，即不免弊端百出，其顯著者則有一、侵吞公款，二、侵佔公物，三、濫用公物，四、虛糜公帑，五、偽

造報銷，六、買賣物品及經手銀錢收受回扣，七、浮報物價，八、兼職兼薪或津貼，九、乾薪，十、以公款生息歸入私囊，及其他陋規等項，每見各機關掌管庶務會計員司，俸給有限，而揮霍無藝，或廣通聲氣，或厚殖資財，試問錢從何來，言之深堪痛恨，方今國家多難，民力已殫，而百廢待興，國用益廣，凡我同僚，服務黨國，自宜共體時艱，綜覈名實，務令財不虛糜，事有實驗，費一錢須計一錢之效，辦一事必程一事之功，上述各種弊端，應即責成各機關長官，自行省察，認真清除，務期弊絕風清，所有辦理情形，限文到兩個月內據實具報，屆期本院長當派員嚴密訪查，並分別呈咨中央及監察院依法糾察，剷除舊染汚俗，樹立廉潔政治本院長有厚望焉，爲此通令內外文武各機關一體遵照辦理，除分令外，仰即知照。此令。

海關總稅務司公署通令第五二五九號

案奉

財政部關務署本年三月三十一日總字第二〇〇八四號訓令內開：

案准本部秘書處三月十八日函開：「案奉 部長發下 行政院二十五年三月九日第一四九

九號訓令爲剷除舊染汚俗樹立廉潔政事一案並奉 部長批諭認真查明清除並將辦理情形具報等

因除由部通令部外各直轄機關遵辦外相應由處抄同院令函達查照即希遵諭清查並望於一個月以

內將辦理情形具復以憑轉呈核復爲盼」等因附抄送院令一件到署自應遵辦除分令外合行抄同行政院第一四九九號訓令一件令仰遵照並飭屬一體遵照此令附抄發院令一件

等因，奉此，查海關人員，向以忠實廉潔爲本，令譽著於中外，其中雖間有少數不肖關員，甘冒不韙，罔知檢束，然一經發覺，卽行酌核情節，輕則予以斥革，重則送交法院究辦，俾作奸者無所逃罪，自好者益思礪行，庶幾全體關員咸以忠實廉潔，爲唯一之信條，而剷除貪污不容姑息，此則本總稅務司所夙夜競競者也。

此次 行政院通令，列舉各項弊端，諄諄以剷除舊染汚俗，樹立廉潔政治爲訓，語意至爲深切。此項通令，固非爲海關而發，然海關旣爲行政機關之一，且爲國家命脈所托，自應熟玩前項通令，切實省察，汚俗雖未及染，務宜引爲深戒，政治雖已廉潔，亦當日益加勉，以期永保令譽，用副 政府痛除積弊，刷新政治之至意。

查本署以前頒發通令，其中關於崇尚廉潔，及節省政費者，不一而足。各關稅務司及其他主管員司，大都均能切實奉行，深堪嘉許，以後凡我僚屬對於節用上如能發抒意見，提出建議，照規定程序具呈本署，用備察奪採擇，尤爲本總稅務司所厚望焉。除分行外，合行抄發 行政院通令，令仰該關稅務司遵照並飭屬遵照辦理。切切此令。／

## CIRCULAR No. 5266 (SECOND SERIES).

**Anthracite coal originating from France or French Indo-China imported from Indo-China at preferential duty rates: to be covered by certificates of origin; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 1st May 1936.

SIR,

With reference to Circulars Nos. 5136 \* and 5209:

Notifying that, in accordance with the Convention regulating Relations between China and France concerning French Indo-China and Adjoining Chinese Provinces, signed on the 16th May 1930, import duty on Indo-China rice, and on anthracite coal originating from France or French Indo-China with fuel ratio of 5 or over, imported from Indo-China either direct or under through bill of lading was to be levied at the special rates of *G.U.* 1.50 per 100 kilogrammes and *G.U.* 0.89 per metric ton respectively, beginning on the 22nd July 1935:

and to Circular No. 5227:

Notifying that, as a result of an arrangement agreed upon between the Government and the French Ambassador, importations of Indo-China rice on and after the 1st April 1936, in order to enjoy the benefits of the preferential duty rate prescribed in the Convention, were invariably to be covered by a certificate of origin issued by the Indo-China authorities, and that, should any difficulties be experienced in identifying French or Indo-China anthracite, the French Embassy would be requested to arrange that importations of the latter commodity should be treated similarly:

I append, for your information and guidance, copy of correspondence which has passed between myself and the Kuan-wu Shu, from which you will see that, in order to facilitate the identification of French and Indo-China anthracite and thus to avoid all possible misunderstanding in applying the terms of the Convention,

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\* *Antea*, vol. v, p. 511.

I considered it advisable to request without further delay that importations of the latter commodity with fuel ratio of 5 or over should be covered by certificates of origin in the same way as shipments of Indo-China rice. From Kuan-wu Shu despatch No. 20371 you will see that the French Indo-China Government have now agreed to issue the necessary certificates, but that no specific date for the introduction of the change has been set.

In future, therefore, importations of anthracite with fuel ratio of 5 or over originating either from France or from French Indo-China and arriving direct or under through bill of lading from Indo-China, in order to enjoy the preferential duty rate prescribed in the Convention, must be covered by certificates of origin issued by the French or Indo-China authorities. In introducing the rule, however, you are to use your discretion in dealing with shipments which may have been despatched from Indo-China ports prior to the notification there of the change in practice. In such cases the production of official certificates may be waived provided that other satisfactory evidence of origin is forthcoming, but beginning from the 1st June 1936 the production of certificates of origin to cover importations of anthracite coal claiming the privileged duty treatment of the Convention is to be made obligatory.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

總稅務司呈 關務署文第八九〇二號 中華民國二十五年三月二日

## 案查前奉

鈞署上年八月世電，規定越南產米及燃率在五或以上之無煙白煤，由越南直接運入滇桂粵三省，或運入各該省持有直接提貨單者，應照中法越約所訂約定稅率徵稅，暫由全國海關一律施行等因。職署當以越南出產之白煤，因其所含灰質成分，較他處所產者爲少，尙覺易於辨識，至越南產米，則有數種與暹羅緬甸所產者完全相同，實無法可以鑑別，擬予規定凡由越南運華之米煤，必須直接運來或持有通運提單，並領有越南主管機關所發之貨物產地證明書，方得按照中法越約所訂特種稅率徵稅，以防朦混，經於上年十月二十二日，備具第八二九七號文，呈請由

部咨請外交部與駐華法使洽商辦理。茲奉

鈞署本年二月十七日則字第一九五九號訓令節開

「關於越南運華米煤應領有貨物產地證明書一案，經由部咨准外交部咨開，『產地證明書一項，迭經本部向法使館商辦。茲准復稱，「越南稅關對於運華越米，定於二月一日起發給產地證明書」相應咨復查照辦理。』等因到部，查法使館復外交部文內，所稱

越南稅關已定期發給產地證明書，係專指運華越米而言，與該總稅務司原請規定凡由越南運華之米煤須領產地證明書，有不符之處。惟無煙煤一項，在前次來呈內，曾稱海關尙易辨識，今外交部與法方磋商後，關於無煙煤發給產地證明書一節，法方並未加以規定，當亦以無煙煤易於鑑別之故，如將來有備具產地證明書之必要時，再行咨請外交部續商施行。至越米既由越南稅關發給產地證明書，應即規定自本年四月一日起，所有由越南運華之越米，概須備具該項產地證明書，以便查驗徵稅。」

等因，奉此，遵經通令各關稅務司遵照辦理去訖。／

惟查關於適用約定稅率之白煤，職署前於繕發第八二九七號呈文之後，並經於上年十二月間，爲法國白煤經由越南運華應否准照約定稅率徵稅一節，備具第八六〇一號文，呈奉

鈞署同月三十一日則字第一九一〇三號指令，以本年八月世電內列燃率在五或以上之無煙白煤，係依據越約包括越產或法產白煤而言，海關應照約定稅率一律辦理等因，是關於鑑別白煤問題，在越產者以外，復增出法產一項。查海關對於法產白煤，經驗欠缺，是否能用化驗方法，予以檢定，尙屬疑問。考之海關統計，目前進口之法國白煤，雖極稀少，但爲預防將來進口數量增多時驗放稽遲起見，似



宜商由外交部轉商法國大使館，約定所有運銷中國之白煤，無論越產或法產，均應由主管機關發給產地證明書，以資識別，而便驗放。是否有當，理合具文呈請鈞署鑒核施行。

謹呈

財政部關務署長鄭

財政部關務署指令則字第一九九五一號中華民國二十五年三月十八日

令總稅務司梅樂和

二十五年三月二日第八九〇二號呈一件請轉向法方商定對於由越南運華白煤無論越產法產亦應發給產地證明書以便識別由

呈悉。此案經咨准外交部咨開：「依照越約規定，法越白煤燃率須在五或以上方得享受約定稅率，其他白煤，不得援用。茲總稅務司以由越運華之無烟白煤須由法方發給產地證明書，以資識別。如其用意，嗣後法越白煤進口，祇須其有產地證明書證明產地，不問燃率如何，即可依照約定稅率徵稅，似與訂約時明定界說之本旨不符，將來必致滋生流弊，殊有慎重考慮之必要，應請再行酌奪見復。」等因。本署查該總稅務司於上年十月間，請轉商法方規定越米及白煤應由越南主管機關發給產地證

明書之時，其用意在意越約執行方面謀便利。關於適用產地證明書之白煤，自係專指越約所訂「燃率在五或以上之白煤」而言。即此次來呈所叙，關員對於法產白煤未有充分之鑑別經驗一節，亦不過申述海關區別白煤產地之困難，因此有備具產地證明書之需要，其所指須用產地證明書之白煤，當然祇屬於越約規定「燃率在五或以上之白煤」，本不容有所牽混。今外交部對於白煤之發給產地證明書，既有懷疑之處，仰即具呈陳明，以便再行轉咨辦理。此令。

總稅務司呈 關務署文第九〇二七號 中華民國二十五年三月二十七日

案查關於職署擬議向法方商定，凡由越南運華白煤，應具有產地證明書一事，呈奉鈞署本年三月十八日則字第一九九五一號指令節開：

「此案經咨准外交部咨開，『依照越約規定，法越白煤燃率須在五或以上方得享受約定稅率。其他白煤，不得援用。茲總稅務司以由越運華之無烟白煤須由法方發給產地證明書，以資識別。如其用意，嗣後法越白煤進口，祇須其有產地證明書證明產地，不問燃率如何，即可依照約定稅率徵稅，似與訂約時明定界說之本旨不符，應請再行酌奪見復。』等因。仰即具呈陳明，以便再行轉咨辦理。」

等因；奉此。查職署上年十月二十二日第八二九七號及本年三月二日第八九〇二號呈文內，呈請商定凡由越南運華之越產或法產白煤，應由主管機關發給產地證明書，係專指燃率在五或以上，按照中法越約應予適用約定稅率之白煤而言，並非謂嗣後法越白煤進口，祇須其有產地證明書證明產地，不問燃率如何，即可依照約定稅率徵稅。理合具文陳明。伏祈

鑒核轉咨。／

謹呈

財政部關務署長鄭

財政部關務署指令則字第二〇三七一號 中華民國二十五年四月二十一日

令總稅務司梅樂和

二十五年三月二十七日第九〇二七號呈一件爲陳明前呈所敘由越南運華之越產或法產白煤應具有

產地證明書一節係專指燃率在五或以上之白煤而言祈鑒核由

呈悉。經已由部咨准外交部二十五年四月十六日歐字第三五〇五號咨開越南政府頃已電覆法大使館允對於無烟白煤適用產地證明書等因。仰卽遵照。此令。

## CIRCULAR No. 5276 (SECOND SERIES).

**Tariff: Import: Provisional Rules: amendments of Rule I and Definition of Term " Wholesale Market Value," notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 20th May 1936.

SIR,

With reference to Circular No. 3944:\*

Notifying the promulgation by the Ministry of Finance of an amended version of Rule I of the Import Tariff Provisional Rules:

to Circular No. 4041:

Notifying the official definition drawn up by the Tariff Board of Inquiry and Appeal of the term " wholesale market value " as used in Rule I, section 1, of the Import Tariff Provisional Rules:

and to Circulars Nos. 4059, 4460,† 4606, and 5142:

Notifying various amendments of and additions to Rule I of the Import Tariff and the Definition of the Term " Wholesale Market Value " as used therein:

I circulate, for your information and guidance, copy of Kuan-wu Shu despatch No. 20635, from which you will see that the Shu have approved my suggestions for certain amendments of Rule I of the Import Tariff Provisional Rules and of the Definition of the Term " Wholesale Market Value " as used therein.

The alterations now authorised are quoted below together with an explanation in each case of the reasons which necessitated the changes.

*(1) Rule I of Import Tariff Provisional Rules :*

§ 5. The first sentence has been changed to read—

"The importer, if dissatisfied with the decision of the Customs as to the value or classification of imported goods, may, within 14 days from the date of issue by the Customs of the relative Duty Memo., file a protest in writing with the Commissioner of Customs, setting forth specifically his objection thereto."

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\* *Antea*, vol. iv, p. 209.

† *Antea*, vol. v, p. 51.

進口商對於海關所定價格或分類認為  
不滿意時可於海關發給進口稅繳納證  
之日起十四日內用書面向稅務司提出  
抗議明白聲敘反對理由

The reason for this change is that a discrepancy existed between the Chinese and English rendering of the expression "filing of the Application," and, as an amendment was necessary to clear up this point, I considered it opportune to suggest at the same time that it would be fairer to date the beginning of the time limit for filing protests from the date of the issue of the Duty Memo. rather than from the date of presentation of the Application.

§ 6. The last sentence has been changed to read—

"The final finding of the majority of the Board, which must be ratified by the Kuan-wu Shu, shall be binding."

此項議決案須陳經關務署批准後遵照  
施行

This change was proposed in order to avoid any possible quibble in connexion with Tariff Board rulings, the ratification of which it may not be possible to announce within the limit prescribed in the existing rule.

(2) *Definition of Term "Wholesale Market Value" :*

§ 4, (b), has been changed to read—

"Such goods have a royalty imposed thereon, the royalty being uncertain, or being for other reasons not a reliable means of estimating the value; or "

貨物係負擔使用費 (Royalty) 而此項使用  
費並非確定或因他種原因不足憑以估  
定貨價者

The English version of the clause as it appears in the published rules at present is ungrammatical.

You are requested to inform the public, by means of a notification issued in conjunction with the Superintendent, of the revised wording.

The Statistical Secretary has been requested to issue the necessary correction slips for the Tariffs now in use.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

財政部關務署指令則字第二〇六三五號中華民國二十五年五月九日

令總稅務司梅樂和

第九〇四四號呈一件縷陳進口稅則暫行章程及解釋條文內應予刪改各點祈鑒核示遵由呈悉。查此案業經國定稅則委員會議復，應准就原條文酌予變動，茲將中英文條文，分項錄列如次：

一、現行進口稅則暫行章程第一款第五節前段，改為「進口商對於海關所定價格或分類認為不滿意時可於海關發給進口稅繳納證之日起十四日內用書面向稅務司提出抗議明白聲敘反對理由」

“The importer, if dissatisfied with the decision of the Customs as to the value or classification of imported goods, may, within 14 days from the date of issue by the Customs of the relative Duty Memo., file a protest in writing with the Commissioner of Customs, setting forth specifically his objection thereto.”

二、現行進口稅則暫行章程第一款第六節後半段，改為「此項議決案須陳經關務署批准後遵照施行」

“The final finding of the majority of the Board, which must be ratified by the Kuan-wu Shu, shall be binding.”

三、現行進口稅則暫行章程第一款第一節內之躉發市價解釋條文第四項(乙)，改為「貨物係負擔使用費(Royalty)而此項使用費並非確定或因他種原因不足憑以估定貨價者」

“Such goods have a royalty imposed thereon, the royalty being uncertain, or being for other reasons not a reliable means of estimating the value; or”

除由部令行各海關監督，並俟原章程重行訂刊時，照此彙案修改外，仰即遵照。此令。

## CIRCULAR No. 5277 (SECOND SERIES).

**Opium-smoking: rules governing the investigation and indictment of, amongst Government employees, notifying; bonds *in re*, as called for by the Government, to be submitted; intructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 22nd May 1936.

SIR,

With reference to Circular No. 4556:

Notifying certain measures to be taken against the habit of opium-smoking by the Staff and calling upon every member of the Chinese staff to submit a declaration on form [F.—58], certifying that he is not an opium-smoker and guaranteeing that as long as he is in the Service he will never indulge in opium, etc.:

I now enclose copy of Kuan-wu Shu despatch No. 20584, together with its enclosures, from which you will see that Marshal Chiang Kai-shek, in his concurrent post as General Superintendent of the Opium-Suppression Commission (禁煙總監), has drawn up a set of four rules governing the investigation and indictment of opium-smoking amongst Government employees, and that these rules have now been approved by the Government. It will also be noted that each member of the staffs of the various Government departments is to submit a bond (as per *pro forma* enclosed), declaring that he or she is not addicted to opium or other narcotics, that this bond is to be presented to his or her immediate superior for endorsement and certification, that a summary of the bonds is to be submitted to the Commission through the Ministry concerned, and that anyone found, or accused and proved, to be addicted to opium or other narcotics will be summarily dismissed and handed to the court for punishment according to the law.

In giving effect to the above instructions, I have to request you to call upon every Chinese member of your staff, whose name appears on your pay sheets, whether Service-Listed or not, to sign and submit a bond, printed copies of which will be supplied by the Statistical Secretary, which is to be certified by the immediate superior of the employee concerned. In this connexion I have to point out that the senior Chinese In-door employee should certify the bonds of members of the In-door Staff, and the senior Chinese

Out-door officer those of the Out-door Staff, the bonds of the two employees mentioned being certified by yourself. You should, however, draw the attention of those concerned to the serious responsibility incurred by them in certifying these bonds, and report to me confidentially the names of those employees, if any, who fail to secure the necessary certification. In the case of Chinese officers in charge of ports, it will of course be impossible to obtain certification. These bonds are to be forwarded as soon as possible to the address of the Chinese Secretary, under cover of a memorandum, together with a summary of the bonds, which should be drawn up in accordance with the *pro forma* enclosed.

Existing instructions regarding declarations on form [F.—58] remain unmodified.

A copy of this Circular is to be placed in your Order Book for the information of your Chinese staff.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE.

財政部關務署訓令總字第二〇五八四號中華民國二十五年五月七日

令總稅務司梅樂和

案奉 本部本年四月二十八日第二四七九七號令開：

「案奉 行政院本年四月十八日第二三九五號訓令內開：案奉

國民政府二十五年四月十一日第三四零號訓令開，爲令遵事，案據軍事委員會委員長兼禁烟總監蔣中正二十五年四月八日政字第七七五號呈稱，竊查黨政軍服務人員，爲齊民之表率，吸食烟毒，早所不許。值此厲行禁政之際，凡向染嗜好者，應如何痛自警省，及早戒除，但恐暗中吸食烟毒者，仍或不免，亟應嚴行檢舉，以肅禁政，茲據禁烟委員會總會第一次常會決議，「檢舉黨政軍服務人員吸食鴉片暨毒品案」並擬具施行辦法四條，核尙可行，在修正公務員調驗規則未頒行以前，所有全國黨政軍服務人員及駐外使領各館人員，凡不吸鴉片或毒品者，應按照具結保證方法，先行舉辦總檢舉一次，藉資警惕，關於中央黨部，及全國各級黨部，與鈞府直屬處會並行政立法司法考試監察五院及所屬部會等機關之檢舉，應請鈞府准予分別轉行照辦，並責令取齊所屬各員切結，彙列

總表，送交本會備查。如稔知爲素有嗜好，甫經戒斷者，其出具證明之主管員，仍應密陳最高主管機關於總表內密加標識，以便調驗，嗣後仍由監察院及各區監察使各機關主管長官，依照公務員調驗規則，隨時檢舉，以收肅清烟毒之效。除分別函令各該主管機關切實辦理外，理合檢同檢舉辦法，暨切結總表式樣，呈請鈞府鑒核施行等情，據此，查厲行烟禁，迭經三令五申，黨政軍服務人員，爲民表率，自應恪遵法令，切實檢束，其有曾經吸食者，尤應於戒斷後，不再沾染，以重官箴。據呈前情，應准照辦。除函請中央執行委員會查照辦理，並指令外，合行抄發原附檢舉辦法，暨切結總表式樣，令仰遵照，並轉飭所屬一體遵照辦理。此令。等因，奉此，除分令外，合行抄發原附件，令仰遵照，並轉飭所屬一體遵照。此令。等因，奉此，除分令外，合行抄發原件，令仰遵照，並轉飭所屬一體遵照。」

等因，附抄發檢舉黨政軍服務人員吸食鴉片烟暨毒品施行辦法及切結總表式樣各一份，轉令到署。除分行外，合行檢發檢舉辦法及切結表式樣各一份，令仰遵照。此令。

附發檢舉辦法及結表式樣各一份

檢舉黨政軍服務人員吸食鴉片煙暨毒品施行辦法

(一)辦理總檢舉機關由禁煙總監規定之。

(二)總檢舉期間以命令達到後兩個月為限。

(三)總檢舉辦法各級黨政軍學人員須於開始總檢舉第一個月內由每員自具不吸食鴉片及毒品切結呈請直屬最低之上級主管員蓋章證明(例如各部科員以下職員由科長證明科長由司長證明次長及司長由部長證明)於第二個月內由主管機關彙總轉送總檢舉機關其切結式樣另定之。

(四)各級黨政軍學人員於具結之後如發覺或被舉發經驗明吸煙或吸毒者由原機關立予免職並送交審判機關按照禁煙禁毒各治罪條例從重處斷其予證明之直屬最低之上級主管員若事前未經舉發官吏各按黨政軍懲戒程序懲戒非官吏由各該機關嚴予懲戒。

結切(稱名關機寫填處此)

具結人格遵禁煙法令確不吸食鴉片煙及各種烈性毒品如有虛偽甘願依法治罪須至切結者

具切結人(職務)

(簽名)

(蓋章)

證明人(職務)

(簽名)

(蓋章)

年

月

日

## CIRCULAR No. 5282 (SECOND SERIES).

**Smuggling: control of foreign goods transported by rail: inauguration of Chief Inspection Bureau for the Prevention of Smuggling by Rail; appointment of Mr. E. N. Ensor, Tariff Secretary (Commissioner), as Commissioner in charge of Customs Inspection Posts on Railways, notifying; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 28th May 1936.

SIR,

I circulate, for your information and guidance, copies of Ts'ai-chêng Pu despatch No. 25506 and Kuan-wu Shu despatches Nos. 20705 and 20807, from which you will observe that, with a view to Customs control being exercised over foreign goods transported on the various railways throughout China, the Ministry of Finance and the Ministry of Railways, acting under the instructions of the Executive Yüan, have concluded an agreement whereby Customs officers shall be permitted to function on the railways in accordance with seven principles approved by the Executive Yüan and detailed rules of procedure drawn up by the two Ministries in consultation. An English version of both the seven principles and also the detailed rules of procedure will be found in an enclosure to this Circular. Centralisation of control of this extension of Customs activities is, of course, a primary consideration, and to attain this end the Government have authorised the immediate inauguration of a Customs Chief Inspection Bureau for the Prevention of Smuggling by Rail (海關防止路運走私總稽查處), and I have to notify you that Mr. E. N. Ensor,\* Tariff

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\* Ernest Nash Ensor was born on the 26th March 1891 at Annaghmore, Northern Ireland, and joined the Customs Service on the 1st January 1909. He served first in the London Office for more than two years before being transferred to China, where he served at the Inspectorate in Peking and Chinkiang. In October 1914 he resigned, while stationed at Chinkiang, in order to join the British Forces. On the conclusion of the Great War he was permitted to rejoin on the 22nd August 1919 and was appointed to Kiukiang. From September 1920 to April 1923 he was stationed at Shanghai, where he was for a time in charge of the Appraising Department. During the years 1925 to 1928 inclusive he served at Shanghai (twice), Kowloon, and Wuchow. He was promoted Deputy Commissioner in April 1928. On return from leave he was stationed at Kowloon for six months, whence he was transferred to Wuhu, where on the 1st October 1930 he was promoted Commissioner. Subsequently he had charge of Ningpo for a year and Kowloon for two and a half years. From November 1935 to the end of March 1937 he served at the Inspectorate at Shanghai as Tariff Secretary, during part of which time he was detailed for special duty as Commissioner in charge of Customs Inspection Posts on Railways, and in April of the latter year was appointed to take charge of Hankow, a post which he still (May 1939) holds. For his services during the Great War Mr. Ensor was decorated with the 1914-15 Star, the General Service Medal, the Victory Medal, and the Fifth Class of the Order of the Wên Hu.

Secretary (Commissioner), has been selected to take charge of the Bureau as Commissioner in charge of Customs Inspection Posts on the Railways and has already entered upon his new duties.

The scheme is being initiated in the North, and as development proceeds specific instructions will be issued by despatch to the Commissioners at the ports concerned, so that no action need be taken locally pending receipt of those instructions.

I am confident that no effort will be spared by the Staff as a whole to afford full co-operation to the new Bureau, and thus ensure that the difficult work entrusted to it will be facilitated as much as possible.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE No. 1.

財政部訓令關字第二五五〇六號中華民國二十五年五月十八日

令總稅務司梅樂和

查華北私運情形，日益嚴重，亟應設法切實制止，以維稅收，前經呈奉

行政院核定防止路運走私辦法，令行到部，業經飭由關務署令行該總稅務司在案。茲爲督促嚴厲執行起見，由部根據前項院定辦法，核示辦法如後：

(一)應由該總稅務司設立海關防止路運走私總稽查處，直隸該署管轄，并由該總稅務司遴選幹練之稅務司副稅務司各一員呈由本部加委，充任正副處長，統轄各路稽查處關員執行緝私職務。

(二)前項總稽查處，應由該總稅務司尅日組織成立，遵照院令規定辦法，迅即遣派得力關員，赴各路執行緝務，毋得藉詞延宕，致礙進行。

(三)所有因防止路運走私必需經費，應准先行報部動支，然後追加預算。

(四)應由該總稅務司嚴飭緝私關員，於執行職務時，務須遵守定章妥慎辦理，對於正當商旅，毋得騷擾，致貽口實。

除院定辦法應另定施行細則，俟由關務署另文飭遵外，合行令仰該總稅務司尅日遵照辦理具報毋延。此令。

財政部關務署密訓令政字第二〇七〇五號 中華民國二十五年五月十五日

令總稅務司梅樂和

奉

部發下

行政院密令一件內開：

「查華北走私情形嚴重亟應設法防止，前據鐵道部呈擬路局協助海關緝私辦法五項，又據該部呈擬制止華北走私辦法八項到院。經提出本院第二六一次會議決議召集內政、外交、財政、軍政、交通、鐵道六部審查在案，茲據報告稱，

(1) 僉以財政鐵道兩部所擬辦法，均係就鐵路方面防止私貨之輸入，似應將標題改爲「防止路運走私辦法」。(2) 關路稽查協助辦法，及其權責，茲就兩部原擬辦法，及事實上施行無礙者詳加討論，重行擬訂七項辦法如次：(一) 海關得在各鐵路沿線重要車站設立稽查處。(二) 關員得在各鐵路重要車站並隨車查緝私貨。(三) 關員認爲必要時得在各處車站檢查旅客行李。(四) 關員在站或隨車執行緝私職務時不得妨礙站內及行車秩序及延誤行車時刻。(五) 鐵路應憑海關完稅憑證運輸，如有無照洋貨到站託運經路員通知駐站關員後，應由關員直接處理。(六) 關於私貨

之扣留，無論在起運站、中途或到達站，應由關員負責辦理，由路局協助。(七)關員執行緝私，應日夜常川駐站辦公。(3)實施上項辦法應定之詳細手續，應由財鐵兩部迅即切實商訂，務期便於執行。(4)鐵路沿線各軍警機關，應隨時予以協助，擬請由院令行內政軍政兩部轉行遵照等語。復經提出本院第二六二次會議，決議「照審查意見通過」。除分令外，合行令仰該部遵照，將實施上項辦法應定之詳細手續迅即商定，切實執行，以杜私運。」

等因奉此，除實施辦法，另行飭遵外，合行令仰該總稅務司遵照。此令。

財政部關務署訓令政字第二〇八〇七號 中華民國二十五年五月二十六日

令總稅務司梅樂和

查前奉

行政院令頒行防止路運走私辦法，業經本署第二〇七〇五號密令，飭行該署在案。茲經由部會同鐵道部根據前項

院令規定辦法，擬具施行細則，呈奉

行政院指令開：

「呈件均悉，查所擬防止路運走私辦法施行細則，尙屬妥適，應准照辦，仰即迅速轉飭海關切實執行，以杜私運。此令。」

等因奉此。除由部分行外，合亟鈔同該項施行細則，令仰該總稅務司遵照。此令。

計發施行細則



防止路運走私辦法施行細則

(一) 洋貨由鐵路運輸必須領有海關完稅憑證

(甲) 凡向鐵路託運之洋貨路局須憑海關完稅憑證方可准予託運

(乙) 發給海關完稅憑證章程應由海關規定在各路車站揭貼布告俾便周知

(丙) 海關完稅憑證樣張應由海關送交各路局轉發各車站查照

(丁) 凡須呈驗海關完稅憑證始准運輸之洋貨種類應由海關開列清單送各路局查照此項清單得隨時修改之

(二) 起運車站辦理手續

(甲) 領有海關完稅憑證之洋貨向鐵路報運時應由商人先將憑證交由駐站關員查驗無訛即於憑證上簽字蓋戳交還商人持向路局託運鐵路人員應將完稅憑證黏於鐵路貨票或包裹票上以備到達站關員查驗如該站並無關員駐在凡領有完稅憑證之洋貨即可由鐵路驗證准其託運

(乙) 如遇有未領海關完稅憑證之洋貨鐵路應拒絕承運並通知駐站關員直接處理

(丙) 路局如因特殊原因承運未領海關完稅憑證之洋貨時該局應即通知駐在該站之關員如無關員駐站應迅即通知該貨到達站轉知駐在該站之關員或就近駐有關員之站轉知關員直接處理同時並在貨

票或包裹票上註明該貨並無海關完稅憑證

(三) 到達車站辦理手續

(甲) 貨物或包裹到站時應由駐站關員向站長取閱貨票或包裹票凡附有海關完稅憑證者應由關員在貨票或包裹票上簽字後將完稅憑證取去其註有並無海關完稅憑證者關員亦應在貨票或包裹票上簽字後直接處理如到達站並無駐站關員者應按下列辦法辦理

一、貨票或包裹票所附之海關完稅憑證應由該站代為收存轉送就近駐有關員之車站轉交關員  
二、貨票或包裹票上註有並無海關完稅憑證者應由附近海關於接到起運站通知後派員前往該到達站在該貨票或包裹票上簽字後直接處理

(乙) 凡海關充公貨物之運費保管費及其他雜費應由海關按路章照付

(四) 檢查旅客行李

遇有必要時關員得在各站或隨車檢查旅客隨身攜帶行李

(五) 沿鐵路各站設立海關稽查處

(甲) 海關得於各鐵路沿線重要車站設立稽查處

(乙) 關於擇站設立稽查處事宜應由海關審度情形決定並與路方會商後實行之

(丙) 凡設有海關稽查處之車站應由海關列表送交路方轉知各站

(丁) 在設有海關稽查處之車站其關員辦公處所應由海關與關係路局商定之

(戊) 鐵路所設之電話(除行車電話外)及電報應准關員使用但以防礙路務為準並應照章核收電報費

(六) 關路兩方合作辦法

(甲) 凡路運貨物或旅客行李如經海關查明按海關緝私條例應予扣押者鐵路方面經海關請求應即將該貨移交海關處理

(乙) 鐵路警察對於在各處車站及列車上執行職務之關員應予妥為保護

(丙) 鐵路人員如自動扣留私貨移送海關或向關員報告消息因而將私貨緝獲或與海關合作緝獲私貨者均由海關照章發給獎金以資鼓勵所發獎金數目悉以當時適用之章程為準

(丁) 扣留車運貨物因而發生商人抗議情事均由海關負責辦理之

(戊) 關員在站或隨車執行緝私職務時不得妨礙站內及行車秩序及延誤行車時刻

(己) 海關得在各處車站不分晝夜派員駐守

(七) 本細則得由任一方面徵得對方同意隨時修改之

ENCLOSURE No. 2.

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SCHEME FOR THE PREVENTION OF SMUGGLING  
BY RAILWAYS.

1.—Customs officers may carry out preventive duties at the strategic stations and on the trains, either stationary or moving, of the various railways.

2.—In the performance of their preventive duties, Customs officers shall not disturb the normal functions of the railways, either at stations or on trains, and shall not cause any delay in the scheduled running of trains.

3.—The railways shall accept for transportation only goods which are covered by a Customs Import Duty Proof. If goods are presented for transportation without a Customs Import Duty Proof, the Railway authorities shall notify the Customs officers at the station concerned and shall leave the Customs to deal with the goods direct.

4.—The detention of smuggled goods, whether at the station where they are presented for transportation, or *en route*, or at the station of destination, shall be attended to by Customs officers with the assistance of the Railway authorities.

5.—Customs preventive officers shall be posted at the stations concerned during day and night to carry out their duties.

6.—The Customs may establish Inspection Posts at strategic railway stations.

7.—Customs officers may, if they deem it necessary, examine passengers' luggage at the various stations.

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## DETAILED PROCEDURE GOVERNING THE PREVENTION OF SMUGGLING ON RAILWAYS.

### 1.—*Foreign goods transported by rail must be covered by Customs Import Duty Proof.*

- (a) Railways shall accept foreign goods for transportation only when such goods are duly covered by Customs Import Duty Proof.
- (b) Regulations governing the issue of Customs Import Duty Proofs shall be drawn up by the Customs and made known to the public by a notification which shall be posted at the various railway stations.
- (c) Specimens of the Customs Import Duty Proof shall be supplied by the Customs to the administrative organs of the railways for distribution to the various stations.
- (d) A list of foreign goods, for which Customs Import Duty Proofs are required when they are transported by rail, shall be supplied by the Customs to the Railway authorities for their information. This list shall be liable to amendment.

### 2.—*Procedure at the Station of Loading.*

- (a) When foreign goods, covered by a Customs Import Duty Proof, are brought to the station for transportation, the merchant shall first present the Import Duty Proof to the Customs officer functioning at the station for verification. If the Duty Proof is found to be in order, the Customs officer shall stamp and endorse it and return it to the merchant for presentation to the Railway authorities, who shall attach it to the Cargo or Parcel Invoice concerned for inspection by the Customs at the destination. At railway stations where no Customs establishment exists, foreign goods covered by Customs Import Duty Proof may be accepted for transportation by the Railway authorities after verification of the Duty Proof produced.
- (b) The Railway authorities shall refuse to accept for transportation foreign goods which are not covered by a Customs Import Duty Proof, and shall notify the Customs officer functioning at the station in order to enable the latter to deal with the goods direct.

- (c) If the Railway authorities, on account of special reasons, have accepted for transportation foreign goods which are not covered by a Customs Import Duty Proof, they shall immediately notify the Customs officer functioning at the station, or, if no Customs officer functions at the station, inform the station of destination, or, if no Customs office is established at the station of destination, notify the station nearest to the destination where a Customs establishment exists. The station which is thus informed shall transmit the information to the Customs officer functioning there in order to enable the latter to deal with the goods. The station of loading shall also indicate on the Cargo or Parcel Invoice concerned that the goods are not covered by Customs Import Duty Proof.

3.—*Procedure at the Station of Destination.*

- (a) At the time of the arrival of goods or parcels at their destination, the Customs officer functioning at the station shall demand from the Station Master the Cargo or Parcel Invoices for inspection. Customs Import Duty Proofs attached to such invoices shall be collected by the Customs officer after he has duly signed the invoices concerned. In the case of a Cargo or Parcel Invoice bearing the remark that the goods are not covered by a Customs Import Duty Proof, the Customs officer shall put his signature on the invoice and deal with the goods direct. If no Customs officer functions at the station of destination, the following procedure shall be followed:—
- (i) Customs Import Duty Proofs attached to Cargo or Parcel Invoices shall be collected by the station of destination and forwarded to the station near-by where a Customs establishment exists for transmission to the Customs officer.
  - (ii) In the case of a Cargo or Parcel Invoice bearing a remark that the goods are not covered by a Customs Import Duty Proof, the Customs officer functioning at the near-by station, upon receipt of information from the station of loading, shall proceed

to the station of destination, where he shall put his signature on the invoice concerned and deal with the goods direct.

- (b) Freight, storage fees, and other miscellaneous charges due on goods confiscated by the Customs shall be paid by the Customs in accordance with Railway regulations.

4.—*Examination of Passengers' Luggage.*

Customs officers, when necessary, may examine on trains, whether stationary or moving, or at the railway stations, luggage carried by passengers.

5.—*Establishment of Customs Inspection Posts at Stations.*

- (a) The Customs may establish Inspection Posts at strategic railway stations along various railways.
- (b) The establishment of Inspection Posts at the various railway stations shall be determined by the Customs in accordance with circumstances and shall be effected in consultation with the Railway Administrations concerned.
- (c) A list of railway stations at which Customs Inspection Posts have been established shall be forwarded by the Customs to the Railway Administrations concerned for transmission to the stations for their information.
- (d) Office accommodation for the Customs officers of Customs Inspection Posts established at the various stations shall be arranged between the Customs and the Railway Administrations concerned.
- (e) With the exception of traffic telephones Customs officers shall be allowed to make use of the telephone or telegraph lines operated by the railways for the transmission of Customs messages, on the proviso that the transmission of such messages shall not cause undue hindrance to the regular functions of the railways. *Telegram* charges shall be paid by the Customs according to regulations.

6.—*Co-operative Arrangements.*

- (a) Any rail-borne goods and/or passengers' luggage which have been found by the Customs to be liable to attachment according to the Customs Preventive Law shall be handed over by the Railway authorities to the Customs at the request of the latter.

- (b) The Railway Police shall afford full protection to Customs officers functioning at the various stations and on trains.
- (c) In return for seizures of smuggled goods made and handed over to the Customs by Railway employees on their own initiative, or for information given to Customs officers leading to the seizure of smuggled goods, or for assistance rendered to the Customs in effecting seizures of smuggled goods, rewards shall be issued to the Railway employees concerned by the Customs in accordance with Customs regulations.
- (d) The Customs shall assume full responsibility for protests arising out of the detention of rail-borne cargo.
- (e) In the execution of their official duties either at stations or on trains Customs officers shall not interfere with the normal functions of the railways or cause delay to the scheduled running of trains.
- (f) The Customs may post officers at various stations either by day or by night.

7.—The above procedure may be revised, whenever found necessary, at the instance of either contracting party and with the concurrence of the other party.

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## CIRCULAR No. 5283 (SECOND SERIES).

**Customs Service: inauguration of Chief Inspection Bureau for the  
Prevention of Smuggling by Rail: staff situation caused by;  
remarks and instructions *in re*.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 28th May 1936.

SIR,

With reference to Circular No. 5282:

Notifying the inauguration of a Chief Inspection Bureau  
for the Prevention of Smuggling by Rail and the  
appointment of Mr. E. N. Ensor, Tariff Secretary  
(Commissioner), as Commissioner in Charge:

I have to inform you that, apart from the headquarters staff detailed to assist Mr. Ensor, the assumption by the Customs of the responsibility for preventing smuggling along the railways of China, a field of operations entirely new to us and additional to our present activities, necessitates the appointment of a preventive staff composed of Assistants, Clerks, and, by nature of the duties involved, to a much greater extent of Tidewaiters. While realising that in most cases the quota of staff at the various ports is by no means in excess of legitimate needs, I regret that, in view of the peculiar circumstances, I have no option but to draw on the various establishments for present requirements, since it has been impossible to make any provision to meet the present unforeseen demands. Commissioners at certain ports will have already received instructions to detail certain members of their staff for duty in the above connexion, and, while every effort will be made to reduce demands to a minimum, I now have to request you to intimate to me, by means of your forthcoming Staff Requirements Returns, which should be despatched promptly on due date, your absolute minimum requirements in all categories of staff, more especially in that of Tidewaiters. The attention of all members of your staff should be drawn to the necessity for each and every member thereof to exert himself to the utmost in order to make good the deficiency in staff caused by the present situation, and I feel confident that, with the interests of the country and the Service as a whole at heart, I can rely on the work at the various ports being efficiently performed. As soon as conditions revert to normal, every effort will be made, not only

to restore your staff to its previous strength, but also to supply extra Tidewaiters to those ports the Commissioners at which have indicated, either officially or semi-officially, their need for such.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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CIRCULAR No. 5295 (SECOND SERIES).

**Smuggling: system of inspection of certain classes of foreign goods when moved inland, procedure *in re*, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 20th June 1936.

SIR,

1.—I circulate herewith, for your information and guidance, copies of Ts'ai-chêng Pu despatches Nos. 25755 and 25899, notifying the promulgation by the Executive Yüan of a set of Provisional Regulations governing the Inspection of Imported Goods when Moved for Sale within China, and enclosing rules governing the registration of, and the application for licence by, merchants who sell wholesale those imported goods which are subject to inspection, factories which purchase such goods for manufacturing purposes, and companies employed in transporting them. English translations of both the regulations and the rules governing licences are appended for reference.

2.—The Government's instructions are that the procedure is to be enforced forthwith, and I have to request you to make the regulations and the rules governing licences known to the public by a joint notification signed by yourself and the Superintendent without delay. A list of the goods liable to inspection under the new procedure, which will be found in Ts'ai-chêng Pu despatch No. 25899, and an English translation of which is enclosed in this Circular, is to be appended to the notification.

3.—You will observe that the procedure is in effect a comprehensive scheme for control by conveyance certificates and sub-conveyance certificates—*pro formas* of which are enclosed in Ts'ai-chêng Pu despatch No. 25899—of all consignments of the foreign goods specified when moved within China in any way other than by shipping under General Regulations. The conveyance certificates to be issued by the Customs are being printed by the Statistical Secretary, and supplies will be sent to all ports as soon as possible. A fee of 2 cents per certificate issued is to be charged and carried to your Account S: Sch. F: "Miscellaneous Receipts." The regulations are for the most part self-explanatory, but your attention is drawn to the following points, which would appear to merit special mention:—

- (a) The requirement of Article 3 that the goods specified, when moved by rail, must be covered by both conveyance certificate and also Customs Import Duty Proof applies, of course, only to movement on railways on which Customs inspection posts as provided for in Circular No. 5282\* have been established. In other cases the conveyance certificate only will suffice.
- (b) Article 7 provides that conveyance certificates issued shall be returned to the Customs who issued them by the chambers of commerce or guilds to whom they have been surrendered. It will be necessary, therefore, for each Custom House to keep a register of all conveyance certificates issued and to cancel entries as the relevant certificates are returned. As it will be impossible in the majority of cases for the Customs to determine to whom these certificates should be rendered at inland places of destination and to approach them direct, a list is to be drawn up at the end of each month of all certificates which should within reason have been returned and is to be forwarded by despatch, with Chinese version in duplicate, for transmission to the Ts'ai-chêng Pu in order that the necessary inquiries may be instituted.
- (c) When notified by the military or police that they are detaining goods uncovered by the requisite documents, as provided for in Article 8, responsible officers are to be despatched to the locality indicated to deal with the case without delay, since, as has already

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\* *Antea*, vol. v, p. 585.

been pointed out to the Government, it is feared that, owing to the great similarity between certain classes of foreign goods and those of Chinese manufacture, detentions of Chinese goods, in the belief that they are foreign, are to be anticipated.

- (d) Article 12 authorises the Customs to inspect the registers of all local guilds, chambers of commerce, merchants, factories, and transportation companies mentioned in the regulations, and this article should be of no little value when it is desired to obtain evidence in suspected cases of smuggling.

4.—Under rule 4 of the rules governing the issue of licences, the licences for merchants, factories, and transportation companies located at open ports are to be issued by the Customs. Accordingly supplies of licence forms for (a) factories, (b) firms, and (c) transportation companies, which have been drawn up, printed, and sealed by the Ministry of Finance, are being forwarded to you under cover of a Chief Secretary's memorandum. You will note that when application for a licence is made it is to be accompanied by a letter of testimony from the local guild of the same trade or from the local federation of factories as the case may be, or, in the absence of such guild or federation, by the local chamber of commerce, and in this connexion I have to authorise you to use your discretion in the matter of acceptance of letters. In the event that you are not satisfied with the genuineness or responsibility of the guild or federation testifying, you are to consult your Superintendent and obtain such other guarantees as would appear to be called for. The fees received from licences are to be credited to your Account S: Sch. F: "Miscellaneous Receipts," and a statement of licences issued, giving full particulars of each licence, accompanied by a Chinese version in duplicate, is to be submitted by despatch at the end of each quarter.

5.—In conclusion, I would state that I appreciate to the full the extra duties which will be imposed on the Staff as a result of the introduction of this new procedure, but I feel sure that all concerned will rally to the call in an effort to combat the existing situation, the seriousness of which cannot be exaggerated, jeopardising as it does the foundations on which China's finances depend.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

ENCLOSURE No. 1.

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PROVISIONAL REGULATIONS GOVERNING THE  
INSPECTION OF IMPORTED GOODS WHEN  
MOVED FOR SALE WITHIN CHINA.

ARTICLE 1.—In order to prevent smuggling and to protect legitimate trade, the Ts'ai-chêng Pu will subject imported goods, when moved for sale within the country, to such inspection as is provided for in these regulations, except when provision already exists in other rules or orders governing the control of movements of such goods. The kind of imported goods which are to be subject to the above inspection will be specified by the Ts'ai-chêng Pu from time to time.

ARTICLE 2.—All merchants who transport imported goods liable to inspection from the port of importation to other places for sale, either by inland waters steamers, junks, or motor vehicles, etc., must produce to the Customs the relative documentary proof of duty payment and apply for a conveyance certificate (運銷執照), after which shipment may be effected.

ARTICLE 3.—All merchants who transport imported goods liable to inspection by train to other places for sale must produce to the Customs the relative documentary proof of duty payment and apply for a conveyance certificate, in addition to a Customs Import Duty Proof, after which transportation may be effected.

ARTICLE 4.—On arrival of the goods at their destination, the covering conveyance certificate shall be surrendered by the merchant concerned to the local guild of the same trade (or, in places where there is no guild, to the local chamber of commerce).

ARTICLE 5.—The local guild or chamber of commerce shall keep a register and, on receipt of the above conveyance certificate, shall enter therein, for purposes of record, the description and quantity of the article, the place of origin, date of arrival, number of the conveyance certificate, date of shipment, and the name and address of the shipper.

ARTICLE 6.—When goods which have been registered by the guild or chamber of commerce are reshipped to other places for sale, the merchant concerned must report the matter to the guild or chamber of commerce in question, who, after verifying that the

description and quantity of the goods are in agreement with the original record, will make a note in the register and issue a sub-conveyance certificate (分銷執照), after which transportation may be effected.

ARTICLE 7.—The period of validity of a conveyance certificate or a sub-conveyance certificate shall be fixed by the Customs, or by the guild or chamber of commerce by whom they are issued, according to the distance the goods in question are to be transported. Conveyance certificates, after use, are to be retained by the guild or chamber of commerce and returned once a month to the Customs office which issued them, while sub-conveyance certificates are to be forwarded by the merchant to whom they were issued, within three days from the date of expiry, to the guild or chamber of commerce which issued them, for cancellation.

ARTICLE 8.—Imported goods, which should be covered by a conveyance or a sub-conveyance certificate when moved (within the country), may be examined by the military and police authorities passed *en route*, who are to detain them if uncovered by the required conveyance or sub-conveyance certificate, duly notifying the nearest Customs establishment, so that the latter can dispose of the goods according to regulations.

ARTICLE 9.—The form for the conveyance and sub-conveyance certificate mentioned in these regulations shall be drawn up and issued by the Ts'ai-chêng Pu.

ARTICLE 10.—Merchants who sell the specified imported goods wholesale, factories purchasing such goods for manufacturing purposes, and companies employed in transporting such goods must register with, and obtain a licence from, an organisation nominated by the Ts'ai-chêng Pu. The procedure for obtaining such licences shall be drawn up and announced separately.

ARTICLE 11.—The merchants, factories, and transporting companies mentioned in the preceding article must each keep a register recording details of the place of origin, sale, storage, and transportation of the goods specified in these regulations.

ARTICLE 12.—Registers kept by the local guilds, chambers of commerce, merchants, factories, and transporting companies mentioned in these regulations shall be inspected from time to time by officers of the Customs or of the organisation nominated by the Ts'ai-chêng Pu.

ARTICLE 13.—Merchants who infringe Article 4 or 6 of these regulations shall be fined a sum not exceeding two-tenths of the value of the goods transported, according to the gravity of the offence.

ARTICLE 14.—Merchant who infringe Article 10 of these regulations shall be fined a sum not less than \$200 and not exceeding \$5,000, according to the gravity of the offence.

ARTICLE 15.—Merchants who fail to keep a register as called for in Article 11 of these regulations, or who make false entries therein, shall be fined a sum not less than \$100 and not exceeding \$3,000, according to the gravity of the offence.

ARTICLE 16.—In cases where inland waters steamers, junks, motor vehicles, or trains transport goods not covered by the requisite certificate, penalties shall be inflicted as follows:—

- (1) If a commercial concern is involved, its licence shall be cancelled, and it shall be forbidden to trade.
- (2) If an official enterprise is involved, the responsible officer at the place of shipment shall be discharged and punished.

ARTICLE 17.—When seizures of smuggled goods are made on information supplied by local guilds or chambers of commerce, rewards amounting to four-tenths of the proceeds realised by confiscation, or the fine imposed, shall be issued to them in accordance with Customs regulations. When local guilds or chambers of commerce detect merchants infringing Articles 4, 6, 10, or 11 of these regulations and report the matter to the Customs or the inspecting organ nominated by the Ts'ai-chêng Pu, they shall be issued the whole of the fine inflicted in accordance with the above articles.

ARTICLE 18.—When goods which have not paid Customs duty are seized in accordance with these regulations, they shall be disposed of in accordance with the Preventive Law.

ARTICLE 19.—The penalties laid down in these regulations shall be enforced by the Customs or by the inspecting organ nominated by the Ts'ai-chêng Pu.

ARTICLE 20.—These regulations shall be put into force from the date of their promulgation.

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ENCLOSURE No. 2.

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PROCEDURE GOVERNING THE REGISTRATION OF, AND THE APPLICATION FOR LICENCES BY, MERCHANTS WHO SELL WHOLESALE THOSE IMPORTED GOODS WHICH ARE SUBJECT TO INSPECTION, FACTORIES WHICH PURCHASE SUCH GOODS FOR MANUFACTURING PURPOSES, AND COMPANIES EMPLOYED IN TRANSPORTING SUCH GOODS.

1.—This procedure is drawn up in accordance with the provisions of Article 10 of the Provisional Regulations governing the Inspection of Imported Goods when Moved for Sale within China.

2.—Merchants who sell wholesale those imported goods which are subject to inspection, factories which purchase such goods for manufacturing purposes, and companies employed in transporting such goods, must make out an Application for the Issue of a Licence (領照申請書) and present it, within 20 days from the date on which this procedure is locally promulgated, to the organisation nominated by the Ts'ai-chêng Pu, in order to register and obtain a licence.

3.—Merchants and transporting companies, when making out their Applications for the Issue of a Licence, must also obtain a letter of testimony from the local guild of the same trade, or, in places where there is no such guild, from the local chamber of commerce.

Factories, when making out their Applications for the Issue of a Licence, must also obtain a letter of testimony from the local federation of factories, or, in places where there is no such federation, from the local chamber of commerce.

4.—Licences will be drawn up, numbered, and sealed by the Ts'ai-chêng Pu, who will forward them to the Customs for use, and will also distribute them through the various provincial financial bureaux for use by Magistrates.

Merchants, factories, and transporting companies located at open ports are to obtain their licences from the Customs, while those in other districts are to obtain them from Magistrates direct, or through a legal body.



5.—The fee for a licence shall be \$1 national currency, and new licences are to be obtained every 12 months.

6.—Applications for the Issue of a Licence, and letters of testimony issued by legal bodies, must be prepared according to the prescribed form.

7.—Applications for the renewal of licences must be submitted through the legal body by whom the original letter of testimony was issued, accompanied by a statement giving particulars concerning the description, number, and date of the old licence.

8.—Merchants, factories, and transporting companies who modify or change their names must take out new licences.

9.—Those who apply for renewal of licences, or who cease business, must surrender their old licences for cancellation.

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## ENCLOSURE No. 3.

## 應請領運銷執照之洋貨 - 覽表

LIST OF FOREIGN GOODS FOR WHICH CONVEYANCE  
CERTIFICATES ARE REQUIRED.

人造絲	Artificial Silk Yarn.
酒精	Alcohol.
含有酒精之酒類及飲料	Alcoholic Liquors and Beverages, <i>i.e.</i> :
畏士忌酒	Whisky.
白蘭地酒	Brandy.
香檳酒	Champagne.
杜松燒酒	Gin.
日本清酒	Saké.
各種甜酒	All Liqueurs.
安尼林染料	Aniline Dyes.
乾電池	Batteries, Dry.
橡皮製靴	Boots, Rubber.
罐裝食品	Canned Foodstuffs.
紙煙紙	Cigarette Paper.
江瑤柱(干貝)	Compoy.
脂粉及香水	Cosmetics and Perfumery.
電氣材料	Electrical Materials.
針	Needles.
煤油	Oil, Kerosene.
柴油	Oil, Fuel.
各種疋頭	Piece Goods of all kinds.
橡皮輪胎	Rubber Tires.
橡皮製鞋	Shoes, Rubber.
各種乾海產品	Sea Products, Dried, of all descriptions.
燒碱	Soda, Caustic.
糖品	Sugar.

## ENCLOSURE No. 4.

財政部令關字第二五七五五號中華民國二十五年五月二十九日

令總稅務司梅樂和

案奉

行政院二十五年五月二十三日第〇三二二一號訓令開：

「二十五年五月十九日本院第二六三次會議，該部提議，爲防止走私保護正當商業起見，擬具稽查進口貨物運銷暫行章程，請公決一案。經決議『修正通過』除由院公布通飭施行並呈報

國民政府鑒核備案，暨函請

中央政治委員會秘書處查照轉陳備案外，合行抄發修正章程令仰該部遵照辦理此令。」  
等因，附抄發章程一份，奉此。除章程第一條第二項及第九條第十條規定各項，俟訂定後，另文飭行外，合行抄同原發章程，令仰轉行遵照。

此令。

計抄發章程一份

# 稽查進口貨物運銷暫行章程

第一條 財政部爲防止走私保護正當商業起見對於運銷國內各處之進口貨物除法令別有規定外依照本章程之規定稽查之

前項應行稽查之進口貨物種類由財政部隨時查明規定之

第二條 凡商人將規定稽查之進口貨物裝載內河輪船民船汽車等由進口口岸轉運各處銷售者應向海關繳驗納稅證據請領運銷執照方得起運

第三條 凡商人將規定稽查之進口貨物裝載火車轉運各處銷售者應向海關繳驗納稅證據請領完稅路運憑證外並加領運銷執照方得起運

第四條 所領運銷執照於貨物到達指運地點時應由商人送交當地同業公會（如無同業公會者送交當地商會）收存

第五條 當地同業公會或商會於收到前項運銷執照後應設立簿冊將所運貨物之名稱數量來源到達日期運銷執照號數起運日期及運貨商人之姓名住址等項詳細登記以備查考

第六條 凡經同業公會或商會登記之貨物如再運向其他地方分銷時應由商人向該同業公會或商會報明經查核與原登記名稱數量相符在登記簿內註明並發給分銷執照方得起運

第七條 前項運銷及分銷執照之有效期間應由發給之海關或同業公會或商會按運銷路程遠近分別規定其運銷執照用過後應由同業公會或商會截存按月彙交原發海關其分銷執照應由原領商人於程限期滿後三日內寄還原發之同業公會或商會註銷

第八條 凡應領運銷或分銷執照之進口貨物在轉運時得由沿途軍警查驗如無運銷或分銷執照應即扣留通知附近海關照章處理

第九條 本章程內所載之運銷及分銷執照式樣由財政部規定頒行之

第十條 凡躉銷購用轉運本章程所定進口貨物之商號工廠及轉運公司均應向財政部指定機關註冊領照其領照辦法另定之

第十一條 凡商號工廠及轉運公司躉銷購用或轉運本章程所定之進口貨物均應分別將其來源銷售存儲轉運各情形備具簿冊詳細記載

第十二條 所有同業公會商會商號工廠及轉運公司設備之簿冊由海關或財政部指定之機關隨時派員稽查之

第十三條 凡商人違反本章程第四條第六條之規定者應按情節之輕重處以所運貨價二成以下之罰金

第十四條 凡商人違反本章程第十條之規定者應按情節之輕重處以二百元以上五千元以下之罰金

第十五條 凡商人不依本章程第十一條之規定設簿登記或爲虛偽之登記者應按情節之輕重處以一百元

以上三千元以下之罰金

第十六條 凡內河輪船民船汽車及火車運輸未領執照之貨物應分別處罰如左

一、商營者吊銷其執照並停止營業

二、官營者撤懲起運地點之負責人員

第十七條 凡由同業公會或商會舉發之漏稅私貨因而緝獲者應按關章於充公或罰款項下提出四成給獎  
其查明商人有違反本章程第四條第六條第十條第十一條規定之行爲而向海關或財政部指定之稽查

機關舉發者應將按前條規定處罰之罰金全數給予該會

第十八條 凡依本章程之規定查獲未經繳納關稅之貨物應按照海關緝私條例處理之

第十九條 凡依照本章程應行處罰事宜由海關或財政部指定之稽查機關辦理之

第二十條 本章程自公布之日施行

財政部令關字第二五八九號 中華民國二十五年六月四日

令總稅務司梅樂和

查前奉

行政院令頒稽查進口貨物運銷暫行章程，業經分行在案。茲依照該項章程分別規定如後：

(一) 依照該章程第一條第二項，規定應行稽查之貨物種類，爲人造絲、酒精、含有酒精之酒類及飲料、畏士忌酒、白蘭地酒、香檳酒、杜松燒酒、日本清酒、各種甜酒、安尼林染料、橡皮製靴、橡皮製鞋、橡皮輪胎、罐製食品、紙烟紙、脂粉及香水、電氣材料、乾電池、針、煤油、柴油、各種疋頭、江瑤柱(干貝)、各種乾海產品、燒碱、糖品。

(二) 依照該章程第九條，規定運銷執照式樣，分銷執照式樣(運銷執照，由海關印製備用)(分銷執照，由同業公會、或商會、或工廠聯合會，印製備用，得酌收手續費，每張至多不得過國幣五分)。

(三) 依照章程第十條，規定領照辦法，(附中請書式樣證明書式樣)執照式樣，除指定機關，應照領照辦法規定辦理外，其北平一市，應由津海關駐平管理長城各口分卡辦事處辦理註冊領照事宜。

所有商號工廠，轉運公司，註冊後應領之執照，除俟製成另文頒發指定機關應用外，合行檢同各執照式樣及領照辦法，中請書式樣，證明書式樣，令仰遵照此令。

計發  
分運  
銷執照式樣，領照辦法，(附中請書式樣證明書式樣)執照式樣。

海關完進口貨物運銷執照第

號

茲據商人 報稱有下開已完進口稅  
貨物擬由 運往 銷售請予發  
給運銷執照以資證明並附完納進口稅單  
據前來經查驗相符合行發給運銷執照以  
便沿途軍警查驗俟所運貨物到達指運地  
點即由該商將此照送交當地同業公會或  
商會登記截存轉送本關註銷

海關稅務司

計開

貨物名稱	
標記	
件數	
重量	
運輪途徑 車及鐵路船 名稱	

中華民國

[印] 年

月

日

右照自發給之日起以

為有效期間逾限作廢

注意後面



號 第 照 執 銷 分 物 貨 稅 口 進 完 已

<p>茲據商人 報稱下開貨物前憑 海關運銷執照第 號於民國 年 月 日由 運抵 當 經將該執照繳交本 登記在案茲擬由 裝載 運往 分銷請予發 給分銷執照前來經查核無訛合行發給分 銷執照以憑起運 發照法團名稱 計 開</p>			
貨物 名稱			
標 記			
件 數			
重 量			
<p>中華民國 [印] 年 月 日 右照自發給之日起以 為有效期間逾期作廢</p>			

面 後 意 注

躉銷購用轉運應行稽查各進口貨物之商號工廠及轉運公司註冊領照辦法

一、本辦法依稽查進口貨物運銷暫行章程第十條之規定訂定之

二、凡躉銷購用或轉運應行稽查各進口貨物之商號工廠及轉運公司等均應於本辦法在當地公布之日起二十日內備具領照申請書向財政部指定之機關註冊領照

三、商號及轉運公司備具領照申請書時併應取具當地同業公會之證明書如當地無同業公會時應取具當地商會之證明書

工廠備具領照申請書時應取具當地工廠聯合會之證明書如當地無工廠聯合會時應取具當地商會之證明書

四、執照由財政部製定編號蓋印除發由海關應用外并發交各省財政廳轉發各縣應用  
通商口岸之躉銷商號工廠轉運公司應向海關請領其他各地應向各縣請領或託由法團代為請領

五、執照每張收工本費國幣一元每滿十二個月換領一次

六、商人請領執照之中請書暨法團出具之證明書均應按照規定格式製備填用

七、換領執照時應開具舊照種類號碼年月日向原出具證明書之法團轉請換領新照

八、商號工廠及轉運公司如有添記換號情事應另領新照

九、申請人領取新照時應將舊照同時繳銷其停止營業時亦同

轉運公司  
工廠  
商號

請領執照申請書

(商工字第 號)

申請人 現在 省 縣 鎮開設

經營 業今因遵照

財政部頒行之註冊領照辦法第二條之規定理合備具申請

書并照填後列事項連同 會證明書及執照工本費一元

呈請

發給執照謹呈

轉運公司 工廠 商號 名稱	
所在地	
經理姓名	
資本總額	
備考	

申請人

簽名

中華民國

年

月

日

# 證 明 書

茲有

在

處開設

商號  
轉運公司

今因遵照

財政部頒行之註冊領照辦法第二條之規定申請領照前來經

本會查明該

商號  
轉運公司

確係正當營業特為證明

具證書（會印）

負責人

（簽名蓋章）

中華民國

年

月

日  
商轉  
工字  
第

號

## 查存關機照發

今據 人在 開設 經營 業依  
 財政部頒行之註冊領照辦法呈請發給執照並備具申  
 請書暨證明書前來經審查核准註冊并發給執照外  
 此存根備查  
 中華民國 年 月 日填發機關 存

轉工商

字第

號

## 覈備部繳

今據 人在 開設 經營 業依  
 財政部頒行之註冊領照辦法呈請發給執照并備具申  
 請書暨證明書前來經審查核准註冊並發給執照外  
 將此存根呈繳備覈  
 中華民國 年 月 日填發機關 繳

轉工商

字第

號

臺工轉  
銷運  
商公  
號廠司  
照執

財政部為發給執照事今據 在 省 縣  
 鎮開設 經營 業遵照頒行之註冊領  
 照辦法第二條之規定備具申請書暨證明書呈請發給  
 執照前來除經審查核准註冊外合行發給執照仰該商  
 收執應即恪遵稽查進口貨物運銷暫行章程經營業務  
 不得違反定章致干查究  
 中華民國 年 月 日  
 部長  
 右給

填發機關

蓋戳

## CIRCULAR No. 5296 (SECOND SERIES).

**Smuggling: Revised Provisional Code governing Punishments  
for Evasions of Customs Duty: promulgation of,  
notifying; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 22nd June 1936.

SIR,

1.—I circulate, for your information and guidance, copy of Ts'ai-chêng Pu despatch No. 26005, from which you will see that on the 4th June 1936 the Government promulgated a Revised Provisional Code governing Punishments for Evasions of Customs Duty to be effective for one year from the date of promulgation. An English translation of the Code is appended for reference.

2.—The Code is to be made known to the public by means of a joint notification signed by the Superintendent and yourself, and a list of the goods, offences in connexion with which are subject to the Code under Article 9—a copy of which will be found in Enclosure No. 3 \* to this Circular—is to be appended thereto for general information. The list is subject to amendment at any time.

3.—You will observe that, in addition to prescribing drastic punishments both for offences committed against Customs officers and others engaged in preventive work and also for connivance at evasions of duty by Customs officers and other specified officials, the Code legislates for all cases involving evasion of duty in connexion with goods referred to in Article 9 by Chinese or foreigners who do not possess extraterritorial rights: such cases, in so far as the offenders are concerned, thus become, for the period during which the Code remains in operation, subject to the adjudication either of a military tribunal in the event of a district being under martial law or by the local authority exercising judicial powers, and can no longer be dealt with administratively under the Preventive Law. In the event, therefore, of any of the offences specified in the Provisional Code—with the exception of those to which reference is made in § 4 of this Circular—being committed by Chinese or foreigners who do not possess extraterritorial rights, it will be necessary for you to take steps to hand over the offender or offenders

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\* Not printed, *vide* I.G. Cir. No. 5295, *antea*, vol. v, p. 607.

to the judicial authorities and to supply the latter with such details of the case as they may require. Should the court request that any seized goods be delivered to them as exhibits for the purpose of conducting a prosecution, you must, of course, comply, but in all such cases a receipt is to be obtained for the goods handed over, and you are to inform the court in writing that on the conclusion of the case the goods must be returned to you for disposal in the usual way. You are to note further that goods which have been seized in connexion with a case that is to be dealt with by the judicial authorities are not to be disposed of until the court decision is rendered and the case concluded; exceptions to the latter ruling will probably have to be made if the goods are perishable, but in all such cases you should first obtain the approval of the judicial authorities concerned to the sale of the goods, and the proceeds thereof are to be held in custody until the cases are settled.

4.—While the Code is framed in such a way that all evasions of duty, however small, in connexion with the goods specified may be subject to its provisions, it is understood that the Code has been designed primarily to combat smuggling in the ordinary sense of the word, and, in consequence, pending instructions to the contrary, office cases in which there is no proof of actual fraud or small office cases in which the offence may be attributed to ignorance, carelessness, clerical error, or even petty misdemeanour may continue to be dealt with under existing regulations; but it is well to remember that the Code can be invoked, if necessary, in such cases and most certainly has to be applied rigidly in all other office cases and in cases of actual smuggling. On the other hand, of course, in certain of these cases dealt with administratively by the Customs under the Preventive Law, the merchants concerned, believing themselves unjustly treated, may prefer adjudication by the courts, and, this being within their rights, there will be no option but to proceed with prosecution.

5.—The attention of the Staff is to be drawn by an order in your Order Book to the severe penalties prescribed in Article 5 of the Provisional Code for connivance of Customs officers in the matter of evasions of duty, and you are to enjoin upon the Staff generally the necessity of exercising the greatest care to avoid any action that may be looked upon as an offence in terms of the Code and lead to its enforcement against them.

6.—Finally, I have to say that, during these times when the attention of the world has been drawn to events in China in which the Customs are principally involved, and when we are liable to

assailment from many quarters for want of vigour and resource in carrying out the duties assigned to us, it is of greater importance than ever that the measures designed, and the rules and regulations formulated, with a view to meeting the existing unprecedented situation be strictly enforced, and I am confident that all members of the Staff will exert themselves to the utmost to see that the traditions of the Service are upheld and that the Government have no reason to complain of the manner in which their instructions are executed.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE No. 1.

財政部令關字第二六〇〇五號 中華民國二十五年六月八日

令總稅務司梅樂和

案奉

行政院二十五年六月六日第三五二六號訓令開：

「案奉

國民政府二十五年六月六日第四六四號訓令內開，『爲令飭事，案准中央政治委員會二十五年六月四日函開，「查懲治偷漏關稅暫行條例，前經本會第十四次會議決議通過，准先施行，仍交立法院審議，並函准政府復稱已分令遵照在案，茲據行政院函，以斟酌事實，該條例尙需修正，擬定修正懲治偷漏關稅暫行條例請核轉立法院審議，並准先施行等由。經本會第十五次會議決議『通過，事屬緊急處分，應准即日施行，仍交立法院審議，以符程序，』相應抄附行政院函及該條例，函達查照辦理」等由，准此，查前准中央政治委員會函，爲本會第十四次會議決議通過懲治偷漏關稅暫行條例，應准即日施行，仍交立法院審議，函請查照辦理到府，經由府分令遵照在案。茲准前由，自應照辦

。除函復並令交立法院查照審議暨分行飭遵外，合行令仰該院遵照轉飭財政部即日布告施行爲要。此令。』等因。奉此，查懲治偷漏關稅暫行條例，前奉

中央政治委員會核准即日施行，函府轉令到院，經通飭知照，並令行該部即日布告施行。嗣因斟酌事實，該條例尙需修正，復經擬訂懲治偷漏關稅暫行條例修正草案，提請

中央政治委員會核定在案。茲奉前因，除分行外，合行抄發修正懲治偷漏關稅暫行條例，令仰該部遵照，即日布告施行爲要。此令。」

等因。附發修正懲治偷漏關稅暫行條例一份奉此，除布告並分行外，合亟抄同前項修正條例，令仰轉行知照。此令。

#### 計抄發修正懲治偷漏關稅暫行條例

#### 修正懲治偷漏關稅暫行條例

第一條 凡偷漏關稅者，處三年以上七年以下有期徒刑。

漏稅額在一千元以上者，處七年以上十年以下有期徒刑。在五千元以上者，處十年以上有期徒刑。在一萬元以上者，處死刑或無期徒刑。

第二條 凡因偷漏關稅，而有左列行爲之一者，處無期徒刑。

一、持械拒捕傷害人未致重傷。

二、公然聚衆持械拒捕時在場助勢。

三、公然聚衆威脅緝私員警時在場助勢。

第三條 凡因偷漏關稅而有左列行爲之一者，處死刑。

一、持械拒捕殺人傷害人致死或重傷。

二、公然爲首聚衆持械拒捕。

三、公然爲首聚衆威脅緝私員警。

四、勾結外人或叛徒。

五、組織秘密團體。

第四條 明知爲漏稅貨物而爲之運送，銷售或藏匿者，處三年以上七年以下有期徒刑。

第五條 稽徵關員或鐵路公路輪船飛機人員，明知爲漏稅貨物而放行，或爲之運送銷售，或藏匿者，依左列處斷。

一、漏稅額未滿一千元者，處五年以上十年以下有期徒刑。

二、漏稅額在一千元以上者，處十年以上有期徒刑。

三、漏稅額在五千元以上者，處死刑或無期徒刑。

因收受賄賂或其他不正利益，而放行或運送者，處死刑或無期徒刑。

因過失而放行或運送者，處五年以下有期徒刑，或三千元以下罰金。

第六條 鐵路公路輪船飛機人員，發覺漏稅貨物，而不通知稽徵關員或軍警機關者，處三年以上七年以下有期徒刑，因強暴脅迫爲之運送，能通知而不通知者亦同。

第七條 本條例第一條至第四條及第五條第一項第二項之未遂罪罰之。

第八條 偷漏關稅行爲，爲本條例所未規定者，依刑法、海關緝私條例，及其他關於漏稅法令辦理。

第九條 本條例所稱漏稅貨物，係指財政部規定稽查之進口貨物，應領完稅憑證及運銷執照而未領者而言。

第十條 犯本條例之罪者，在戒嚴區域內，由該區域最高軍事機關審判之，其他區域由地方法院或兼理司法機關審判之。

第十一條 本條例施行期間暫定爲一年。

第十二條 本條例自公布日施行。

ENCLOSURE No. 2.

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## REVISED PROVISIONAL CODE GOVERNING PUNISHMENTS FOR EVASIONS OF CUSTOMS DUTY.

1.—Those who evade Customs duty shall be sentenced to penal servitude for a period of not less than three years and not exceeding seven years.

The punishment for evasions of Customs duty amounting to \$1,000 or more shall be penal servitude for a period not less than seven years and not exceeding 10 years; for evasions of \$5,000 or more, penal servitude for 10 years or more; and for evasions of \$10,000 or more, death or penal servitude for life.

2.—A penalty of penal servitude for life shall be inflicted on those who, for the purpose of evading Customs duty, have committed any one of the following acts:—

- (1) Resisting arrest by force of arms, thereby inflicting wounds which are not of a grievous nature.
- (2) Openly assisting a crowd to resist arrest by force of arms.
- (3) Openly assisting a crowd to intimidate preventive officers or police.

3.—The penalty of death shall be inflicted on those who, for the purpose of evading Customs duty, have committed any one of the following acts:—

- (1) Resisting arrest by force of arms, thereby causing death or inflicting mortal or grievous wounds.
- (2) Openly leading and inciting a crowd to resist arrest by force of arms.
- (3) Openly leading and inciting a crowd to intimidate preventive officers or police.
- (4) Conspiring with foreigners or rebels.
- (5) Organising secret bodies.

4.—Those who transport, sell, or conceal goods which they know to have evaded Customs duty shall be sentenced to penal servitude for a period of not less than three years and not exceeding seven years.

5.—Customs officers responsible for the examination of goods or for the levy of duty thereon, or employees or officials of railways, public highways, ships, or aeroplanes, who release, transport, sell, or conceal goods which they know to have evaded Customs duty shall receive sentence as follows:—

- (1) Penal servitude for a period of not less than five years and not exceeding 10 years in cases where Customs duty amounting to less than \$1,000 has been evaded.
- (2) Penal servitude for 10 years or more in cases where Customs duty amounting to \$1,000 or more has been evaded.
- (3) The penalty of death or penal servitude for life in cases where Customs duty amounting to \$5,000 or more has been evaded.

The penalty of death or penal servitude for life in cases where release or transportation has been permitted upon receipt of bribes or other illegal profits.

Penal servitude for a period not exceeding five years or a fine not exceeding \$3,000 in cases where release or transportation has been permitted owing to carelessness.

6.—Employees or officials of railways, public highways, ships, or aeroplanes who detect goods which have evaded Customs duty and who fail to notify either the Customs officers responsible for the examination of goods or for the levy of duty thereon or the military or police authorities shall be sentenced to penal servitude for a period of not less than three years and not exceeding seven years.

Those who are compelled by *force majeure* to afford transportation and who are able to notify (the proper authorities) but fail to do so shall receive similar punishment.

7.—Unsuccessful attempts to infringe Articles 1 to 4 and sections (1) and (2) of Article 5 of this Code shall be punished as actual infringements.

8.—Evasions of Customs duty which are not covered by this Code shall be dealt with in accordance with the Criminal Code, the Customs Preventive Law, and other laws regarding evasions of Customs duty.

9.—The expression “goods which have evaded Customs duty” as used in this Code refers to those imported articles which have been specified by the 'Ts'ai-chêng Pu as subject to inspection and which should be covered by Customs Import Duty Proofs and conveyance certificates but are not so covered.

10.—Those who infringe this Code in districts under martial law shall be tried by the highest military tribunal in the district concerned. Offenders in other districts shall be tried by the local district court or by the authority exercising judicial powers.

11.—This Code shall be effective for a provisional period of one year.

12.—This Code shall be enforced from the date of its promulgation.

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## SEMI-OFFICIAL CIRCULAR No. 117.

**Interport Duty: abolition of, from 1st June 1935, notifying; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 15th May 1935.

SIR,

I append for your confidential information copy of Kuan-wu Shu confidential despatches Nos. 16199 and 16314 notifying the Government's decision to abolish Interport Duty from the 1st June 1935, together with a copy of my reply thereto—an English translation of which is attached to facilitate reference. You will observe that I am instructed to submit for the Shu's consideration recommendations regarding the steps which should be taken in this connexion. My proposals are, briefly, that except for the actual collection and assessment of Interport Duty, and for some relaxation in the examination of cargo, the existing procedure for the control of interport movements of cargo should be adhered to for the present, pending further consideration based upon actual experience during a transitory period of 12 months, when representations will be made to the Kuan-wu Shu in respect of the extent to which the staffs concerned can be reduced, etc. Pending the Shu's reply, when further and official instructions will be issued, you are requested to note that from 1st June 1935 Interport Duty is to cease to be collected, and need not be assessed at ports where data is not required for the purpose of collecting local dues; but in all other respects the existing procedure for the control of interport movements of cargo is to remain unchanged for the time being.\*

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Vide* S/O Cir. No. 121, *postea*, vol. v, p. 640.



## ENCLOSURE No. 1.

財政部關務署訓令則字第一六一九九號 中華民國二十四年三月二十八日

令總稅務司梅樂和

奉

部發下行政院秘書處函一件，以本部提議自本年六月一日起裁撤海關轉口稅一案，經院議決議通過，送中央政治會議核定，函達查照等因。除俟中央政治會議核定，再行令遵外，合先密令該總稅務司知照，俾資準備。此令。

財政部關務署訓令則字第一六三一四號 中華民國二十四年四月六日

令總稅務司梅樂和

關於本部提議定期裁撤轉口稅一案，前由

行政院會議通過，當經轉令知照，以資準備。茲又奉

行政院令轉

國民政府本年三月二十五日第二二號訓令，飭知本案經奉

中央政治會議第四四九次會議決議，可如議辦理等因。合再密令該總稅務司遵照，其與實施本案有關各事項，並仰妥為籌議，先行呈奪。此令。

總稅務司呈 關務署文第七四九八號 中華民國二十四年四月二十九日

案查本年三月間，奉

鈞署則字第一六一九九號令開：

「奉

部發下行行政院秘書處函一件，以本部提議自本年六月一日起裁撤海關轉口稅一案，經院議決議通過，送中央政治會議核定，函達查照等因。除俟中央政治會議核定再行令遵外，合先密令知照，俾資準備。」

等因；嗣於本月間，復奉

鈞署則字第一六三一四號令，以此案又奉

行政院令轉

國民政府本年三月二十五日第二二號訓令，飭知本案經奉

中央政治會議第四四九次會議決議，可如議辦理等因。合再密令遵照，其與實施本案有關各事項，並仰妥爲籌議，先行呈奪等因。先後奉此，自應遵照辦理。茲謹按職管見所及，將與裁撤轉口稅有關各事項，爲

鈞座縷晰陳之。查政府裁撤轉口稅，其目的不外乎下列之三項：一、減輕國內貿易負擔；二、於可能範圍內，對於國內貿易所受各項限制，予以解除藉資鼓勵；三、節省海關行政經費。／

關於第一項減輕國內貿易負擔一節，查其實施時，極爲簡便，祇須令飭各關自本年六月一日起，停徵轉口稅，並無其他事項，須加籌劃。／

關於第二項解除國內貿易所受各項限制一節，查此事必須於轉口稅實行裁撤後，審度情形，分別去留，如驟予盡行廢止，必致流弊叢生，害及國稅。竊以在轉口稅裁撤後十二個月內，所有國內貿易一切報關手續，仍應按照舊章辦理，卽如各貨報單，係爲海關編製國內貿易統計之根據，須由商人詳填呈送，以憑查考。而代徵碼頭捐堤工捐及其他地方稅捐之各關，亦仍應將各貨應徵轉口稅款數目，核算清楚，於報單上批明，以便據以徵收上項各種稅捐。又貨物裝卸稽查檢驗一事，雖因轉口土貨，並不徵稅，可以從寬辦理，但仍須執行，以防奸商將未經完稅之洋貨，及中外所產違禁物品，挾帶私運。況此項查驗手續，對於由通商口岸運經外國口岸，前往另一通商口岸之貨物，關係尤爲重要，查驗尤屬不可廢止。根據上述各節，是以職意應先令飭各關稅務司於轉口稅裁撤後十二個月內，按各關當地情形，悉心研究，妥籌辦法，於十二個月期滿時，呈由職署核奪，決定何項手續取消後，對於稅收，並無妨碍，方予廢止，以昭審慎，而免流弊。俟職署將各項應廢應存手續決定後，再行相度情形，考慮各關地位，可否酌予變更，及國內貿易統計，可否停止編印。關於變更各關地位一節，竊以可

將各關劃分爲二種：一爲主要口岸，准與外洋直接貿易，一爲次要口岸，不准與外洋直接貿易。凡由國內運往外洋之土貨，及由外洋輸入之洋貨，必須先行運至主要口岸，然後方可轉運指運地點。此項次要口岸不准與外洋直接貿易辦法如施行時，設有困難則可准許笨重貨物與外洋直接往來貿易，至其他貨物，必須按照規定辦法辦理。惟變更各關地位，既與中國及各國所訂條約有關，復於商人歷來運貨辦法有重大變更，故亦必須審慮周詳，謹慎辦理，方可以期妥善。至關於國內貿易統計一節，查海關編印該項統計，所需費用，既屬不貲，而其效果，並不甚宏，似可於本年該項統計編竣後，即行停止。其理由如次：國內貿易統計，各國均不編印，一也。現時海關刊發之國內貿易統計，考其實際，並不完備，緣由鐵路、公路及民船運輸之貨物，向不歸海關管理故未能編製在內，二也。海關對於在國內各口岸間，往來運輸之洋貨統計，現在業經停止編印，則對於土貨之運輸，似亦可不加統計，三也。轉口稅裁撤後海關對於國內運輸土貨既無稅收關係，驗估自不能嚴格辦理，故此項統計，即使予以編製，亦難準確，四也。現在商人報運轉口土貨，除呈遞正式報單外，尚須附有統計報單一紙，以備海關據以編製統計。如此項統計，予以停編，則該項統計報單，即可免遞，商人報關手續，自較簡便，五也。實業部及其他政府機關，對於各種土貨產銷情形，調查綦詳，印有專冊，是國內經濟狀況

，已有刊物，足供參考，似無須再由海關編印此項統計，六也。由此以觀，該項國內貿易統計，確可停止編印，以節公帑。／

至關於第三項節省海關行政經費一節，查其辦法，約分二點：一將各關現有人員予以核減，二將數處海關酌予裁撤。關於核減人員一點，職意應令由各關稅務司，於轉口稅裁撤後十二個月內，審度情形，其自轉口稅實行裁撤及對於國內運輸土貨從寬稽查檢驗後，所能核減人數，暨將來各關地位變更及國內貿易統計停編後，再能核減人數，從速妥為籌議，一俟籌有成議，即行分別呈候核辦。其裁撤海關一點，關於條約及航商利益兩方面似應審慎考慮，而轉口稅一項，每年收入僅佔全國稅收百分之六，如裁撤後，海關對於實在徵收此項稅款之手續，雖可減省，但其他各項事務，仍須繼續辦理。況現在對於變更各關地位，及停編國內貿易統計兩項問題，尚未解決，則裁關一節，一時無從提議。即使該兩項問題，均行解決，現時各關，似尚有存留之必要，以資管理直接或間接與外洋之貿易，管理船隻，港務及航行設施事宜，查緝私運洋貨及違禁物品，及徵收由關帶徵之統稅、碼頭捐、堤工捐、疏濬捐及河捐等事務。倘海關一經裁撤，則徵收附捐及管理船隻及港務等項，政府勢須另設機關，以資辦理。竊以海關辦理各該事務，經驗既富，開支又屬甚微，現如將海關裁撤，另立機關，誠恐行政經費

，轉有增加，與政府裁撤轉口稅原旨，殊有未合。且各口海關均爲中央政府直轄機關，政府命令，朝出夕行，各地政局無論若何變更，而海關系統從未更改，此種關務統一情形，實爲中外信譽所繫，似未可輕予放棄，如一旦將關裁撤，難免無地方政府巧立名目，徵收與轉口稅類似之捐稅情事，似此情形，政府徵稅事權，既不統一，商運方面，亦受其累。加之管理港務及航行設施，均須富有專門經驗，如改由其他機關辦理，各航商休戚相關，將亦感不便，此不得不鄭重聲明者也。／

總之轉口稅裁撤後，暫時似應按下列各項辦法辦理：（一）令飭各關稅務司遵照政府決定日期，停徵轉口稅。（二）各關現行手續除停徵轉口稅，及對於貨運稍予從寬稽查檢驗外，餘悉暫照舊章辦理，俟於裁撤後十二個月內，審察情形，再行核辦。（三）各口現有人員，俟各關稅務司呈報到署後，統盤籌劃盡量核減，至現有各關，應暫保存，免予取消。所有上述各項辦法，是否有當，理合備文密呈鈞署鑒核令示祇遵。／

謹呈

財政部關務署長鄭

## ENCLOSURE No. 2.

*Translation of Confidential Despatch to Kuan-wu Shu No. 7498.*

In reply to Kuan-wu Shu's confidential despatch No. 16314, requesting the Inspector General to submit for the Shu's consideration proposals regarding the steps to be taken in connexion with the Government's decision to abolish Interport Duty, the Inspector General begs to state as follows:—

The abolition of Interport Duty may be said to have three ends in view, viz.:—

- (1) To lighten the burden of taxation, and encourage internal trade;
- (2) To free as much as possible from troublesome restriction the interport movement of merchandise, as an additional means towards encouraging such trade; and
- (3) To reduce Customs administrative expenditure.

In regard to (1): this can be, and has now been, accomplished by a stroke of the pen, as it were, and no special steps need be taken beyond conveying the Government's decision to Port Commissioners and instructing them to cease the levy of Interport Duty as from 1st June 1935.

In regard to (2): the matter is not so simple and has to be dealt with cautiously: trade can only gradually expect to enjoy the full benefits envisaged therefrom. The Inspector General is of the considered opinion that the process of freeing from Customs restriction the interport movements of merchandise should be carried out little by little and only as may be dictated by experience to be gained in the course of a transitory period of, say, 12 months. During this transitory period the existing procedure of passing interport shipments of cargo through the Customs should continue in force, with only this difference that no interport duty be levied. For the purpose, however, of assessing local extra-Customs levies, such as Wharfage Dues, Dike Dues, etc., at ports where these are based on the Interport Duty, the latter would still have to be calculated. And for statistical purposes Applications giving full particulars would still have to be handed in. Further, examination and general control of the cargo when shipped and/or landed would have to be continued, albeit to a greatly relaxed extent, otherwise

the distribution of non-duty-paid foreign goods throughout the country would be greatly facilitated and there would be no Customs means of preventing the illicit movements of Chinese and foreign contraband, prohibited, and restricted articles: these two objections apply especially in the case of shipments from a Chinese port to another Chinese port *via* a foreign port. Commissioners would be instructed to study carefully during this transitory period, and at the end of it to submit a report on the feasibility and advisability, from the point of view of their immediate locality, of relaxing Customs restriction of interport movements of cargo, and thereafter specific instructions, based on Commissioners' recommendations, would be issued to each port. By that time it should be possible to determine whether the *status* of any port should be modified and whether interport statistics should be abolished. As regards the *status* of ports, it may be found advisable eventually to divide ports into two categories, viz.:—

Ports of Entry (or Primary Ports) at which, only, direct foreign trade may be carried on; and

Secondary Ports (or Sub-ports of above) at which either bulk cargo only may be imported from, and exported to, foreign countries direct, or no direct foreign trade would be permitted, and to and from which foreign trade would, in the latter case, be allowed only in the shape of transhipment or reshipment (in bond or otherwise) at a Port of Entry.

As such change of port *status*, however, would involve Treaty stipulations, and as it might cause inconvenience to local merchants and in some cases even lead to protests, it would not be advisable to introduce suddenly, and without further consideration and experience, any modification in the present *status* of ports. As regards statistics, the Inspector General considers that the work and expense involved in the compilation and publication of interport trade statistics are not warranted by their value and that they might ultimately (*e.g.*, at the end of 1935) be discontinued for the following reasons:—

- (a) Such statistics are not published in other countries;
- (b) As now published in China, they are incomplete since they take no account of traffic by rail, road, and junk;
- (c) China no longer compiles statistics of the interport trade in foreign goods, and to cease publishing statistics of the interport trade in native goods would be another step in the same direction;



- (d) As the verification of declared quantities and values will be either discontinued or relaxed, such statistics would in future be unreliable;
- (e) By ceasing to require merchants to hand in statistical copies of all Applications, as is done now, much time and trouble would be saved in passing cargo through the Customs; and
- (f) The Ministry of Industry and other Government organs are now publishing increasingly useful statistics on provincial production and consumption, etc., from which more useful estimates of the internal economic condition of the country can be made.

In regard to (3), the reduction in Customs administrative expenditure: there would be two means of attaining this end, viz.: (a) by reducing the Staff at existing ports; and (b) by closing ports altogether.

- (a) Commissioners would be instructed to study, during the proposed transitory period, and to report as soon as possible, the extent to which their respective Staffs could be immediately reduced (in number and/or seniority) as a result of the immediate diminution of work brought about by the cessation of the assessment and collection of Interport Duty and of the immediate relaxation in the examination and control of cargo, and to what further extent they could later on be reduced as a result of the possible change of ports' *status* and the proposed discontinuance of interport statistics.
- (b) The closing of ports is a question which has to be handled with prudence. Apart from considerations which may be held to arise from Treaty obligations and the vested interests of long-established mercantile and shipping activities, the Inspector General desires to point out that the abolition of Interport Duty involves, from the point of view of Revenue, about 6 per cent of the entire Customs Revenue collection and that, although the actual levy of this Duty may cease, existing Customs machinery would still have to be to a very great extent retained for purposes other than the collection of Interport Duty. Pending decisions on the above-mentioned questions of port *status* and interport statistics, and apart therefrom, Customs Establishments at existing ports should, he thinks, be retained for the purpose of

exercising control over *direct or indirect imports from, and exports to, abroad*; local control over *harbours, shipping, and navigational aids*; control, as stated above, over *all cargo for the prevention of illicit movements of non-duty-paid foreign goods and prohibited and restricted articles (especially in view of prevailing political conditions in the country)*; for *statistical purposes*; and for the *collection of various extra-Customs levies, such as Conservancy and River Dues, Wharfage Dues, Dike Dues, etc., and (last but not least) the Consolidated Tax*. Were, for example, the collection of the last-mentioned Dues and Tax, and the control of harbours, shipping, etc., to be removed from the Customs, through the closing of ports, separate Bureaux would doubtless have to be established therefor and this would cause considerable additional outlay for the Government, while at the present time work of this nature is executed by the Customs at comparatively light charges and in a manner very convenient to the public. Furthermore, the Inspector General considers that it would not be politic for the Government to close existing Custom Houses *anywhere* until the matter has been very exhaustively investigated, because they *each and all represent the Central Authority* and the *political advantage* attached to the existing influence of, and prestige to, the Government resulting from the central control of Maritime Customs Establishments throughout the length and breadth of the land *ought not to be lightly relinquished*: the withdrawal of Maritime Customs Establishments, moreover, might induce *local authorities* (in some districts) to impose, *independently* of the Central Government, local taxation in lieu of Interport Duty, and this would nullify the benefits contemplated in the Government's decision to abolish it. Shipping interests, moreover, would view with concern the transfer of control of harbours, shipping, and local navigational aids to organs lacking technical efficiency and experience.

To recapitulate: the Inspector General suggests—

- (1) That Commissioners be instructed to cease the collection of Interport Duty on the date finally decided upon by the Government;

- (2) That existing procedure, except for the actual assessment and collection of the Duty and for some relaxation in the examination and control of cargo, be adhered to for the present, pending further consideration, during a transitory period of 12 months; and
  - (3) That the Staff be reduced to the extent that is ultimately deemed feasible, after the situation has been carefully studied and the reports of the local Commissioners on the subject received, but in the meantime the existing Customs Establishments ought to be retained and not abolished.
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SEMI-OFFICIAL CIRCULAR No. 121.

**Interport Duty: abolition of, postponed, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *27th June 1935.*

SIR,

With reference to S/O Circular No. 117:

Instructing that the collection of Interport Duty is to cease as from the 1st June 1935:

I now append for your confidential information and record copy of Kuan-wu Shu telegram of the 28th May 1935, instructing me to notify ports that the abolition of Interport Duty would probably be postponed. A circular telegram in the above sense, directing you to continue to collect Interport Duty, was sent to all ports on the 29th May 1935, and you are requested to note that pending further instructions no change is to be made in your present practice in the collection of Interport Duty.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

ENCLOSURE.

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關務署電第一九三六號  
中華民國二十四年五月二十八日

梅總稅務司鑒  
國密關於裁撤轉口稅事已向部接洽或須緩期實行俟部決定施行日期再行轉令辦理

仰遵照並即密電各關知照爲要  
署長鄭儉印

## SEMI-OFFICIAL CIRCULAR No. 135.

**Seizures: responsibility for the handling of seizure cases to rest with Commissioners, and not with Superintendents: Ts'ai-chêng Pu instructions *in re*, issued to all Superintendents; notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 2nd May 1936.

SIR,

With reference to Circulars Nos. 4597 and 4723:

Informing you, *inter alia*, that the Executive Yüan had issued instructions to the provincial governments in Hopeh, Shantung, Kiangsu, Chekiang, Fukien and Kwangtung, to the effect that when local authorities find dutiable foreign goods or contraband being smuggled at places along the coast, both the goods and the carrying vessels are to be seized and surrendered to the nearest Custom House, and directing you to issue a notification to the public stating that the Customs are the sole authority to dispose of smuggled goods, etc.:

I have to inform you that on a recent occasion a Superintendent, having been requested by the Commissioner to assist in the enforcement of a penalty imposed on a silver smuggler, took it upon himself, without further reference to the Commissioner, to collect the fine (at a rate lower than that laid down in the regulations in force at the time), and remitted the proceeds direct to the Ministry of Finance after deducting the rewards payable to the police authorities who had arrested the offender.

I therefore reported the matter to the Kuan-wu Shu, pointing out that the Superintendent had exceeded his authority in settling the case independently and without any reference to the Commissioner, and requested that explicit instructions should be issued by the Pu to all Superintendents emphasising that seizures effected by Superintendents or their subordinates, or handed over to Superintendents by other organisations or individuals, are in every instance to be surrendered to the Commissioners concerned, who alone are responsible for the handling of seizure cases and for the remittance of sums realised through fines and confiscations, and that Superintendents are not to interfere in such matters.

In response to my representations the Pu have issued instructions to the above effect to all Superintendents, and you are requested to take note accordingly.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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CIRCULAR No. 5410 (SECOND SERIES).

**Marine Department: reversion of classification of Coast Inspector's Staff and Engineer-in-Chief's Staff, notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS.  
SHANGHAI, *2nd December 1936.*

SIR,

With reference to Circulars Nos. 1887 and 1888:\*

Notifying the reorganisation of the Service into Departments and describing in detail the constitution and functions of the newly created Works Department:

and to Circular No. 4021:†

Notifying the incorporation of the Architectural branch of the Works Department in the Inspectorate Staff and the reversion of the Engineering branch to the Marine Department as II.—Marine Department, 1°. Engineers Staff:

I have now to inform you that, owing to the increased responsibility of the Coast Inspector's branch of the Marine Department occasioned by the recent expansion of the preventive fleet, I have decided to reverse the present classification of the Coast Inspector's and Engineer-in-Chief's Staffs of the Marine Department. Accordingly, as from 1st January 1937, you are requested to note that the subdivisions of the Marine Department will be as follows:—

- |                                |                    |
|--------------------------------|--------------------|
| 1°. Coast Inspector's Staff.   | 4°. Lights.        |
| 2°. Engineer-in-Chief's Staff. | 5°. Marine.        |
| 3°. Harbours.                  | 6°. Miscellaneous. |

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\* *Antea*, vol. iii, pp. 64–67, 68–70.

† *Antea*, vol. iv, p. 259.

The above classification will be adopted in the next issue of the "Service List," and the various port Service List Returns, [F.—47] and [F.—48], are to be drawn up accordingly.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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CIRCULAR No. 5429 (SECOND SERIES).

**West River: steamers plying between and among Canton, Kongmoon, Samshui, and Wuchow specially permitted to trade under I.W.S.N. Regulations and cargo carried by such vessels to be exempted from interport duty, instructing.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 5th January 1937.

SIR,

I enclose, for your information and guidance, copy of correspondence which has passed between the Kuan-wu Shu and myself (Shu despatches Nos. 22576 and 23803 and my despatch No. 10509)—and copy of my despatch No. 9440/163455 to Canton and of Canton despatch No. 14660 in reply thereto,—from which you will see that, in response to a petition sent to the Shu by certain steamship companies, the Shu have approved the Canton and Wuchow Commissioners' joint recommendation that steamers plying direct between and among the ports of Canton, Kongmoon, Samshui, and Wuchow be specially permitted to trade under Inland Waters Steam Navigation Regulations, that these four ports be considered as inland places in so far as this trade is concerned, and that, in consequence, native goods carried by such vessels be exempt from the payment of interport duty.

The Commissioners at the ports concerned are to act accordingly from the date of receipt of this Circular and to issue a notification to the public in conjunction with the Superintendent.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE No. 1.

財政部關務署訓令則字第二二五七六號 中華民國二十五年九月二十八日

令總稅務司梅樂和

案據廣東輪船商劉光，李海成，何劍泉等呈略稱：

「行走廣州梧州間僱運客貨之輪船，仍須繳納轉口稅，而輪拖渡則邀准免徵。同航異稅，待遇不平，請速將西江轉口稅制，劃一待遇，徵則同徵，免則同免，俾得一視同仁，以維航運，而昭公道。」

等情。查免徵西江輪運貨物之轉口稅一案，前於民國二十三年八月間，據前代理總稅務司羅福德，轉據梧州關稅務司呈請將該項轉口稅先行取消前來。經簽奉

部座核定。准將西江口岸間之轉口稅免徵，於二十三年十一月十四日令仰遵照在案。旋據該代理總稅務司第六七四二號呈，以在全國轉口稅未能一律廢止以前，似未便單獨免徵。當時對於全部轉口稅之裁撤，正在籌劃進行中，原案遂暫行擱置。現在裁撤轉口稅之案，未能即見諸實行。而該商等來呈，則有若仍不將西江一部分轉口稅制劃一待遇，商輪等及千餘失業工人，祇有坐而待斃等語，頗有急待救濟之勢。所有廣梧間現時對於輪運貨物徵收之轉口稅，應否即予豁免，以維航運之處，合亟檢發原副呈一件，令仰該總稅務司核議具復，以憑辦理，爲要。

此令

附原副呈一件。



具狀人劉光等年四十五歲廣東省番禺縣人

職業商  
住址廣州市六二三路三十八號  
擔保店西興輪船公司

呈爲同航異稅，待遇不平，懇請劃一稅制，徵則同徵，免則同免，以維航運，而昭公道事，竊商公司等，置有南寧西南廣雄廣英廣寬民安順安新昇明輪船八艘，向遵關章，載運客貨，行走廣州梧州，數十年來，歷安無異，迺自加稅裁釐後，輪船仍須繳納轉口稅，而輪拖渡則瞞呈

政府，邀准免徵，故行旅貨商，爲避重就輕，及避免海關查驗起見，所有客貨，俱附搭拖渡，以至商輪等無貨可載，受此重大打擊，遂相繼停航年餘，輪船工人連帶而失業者，不下千餘人，同是華商，同屬輪運，且同一航綫，而對於稅制，迺分軒輊，待遇不平，莫此爲甚，匪特商公司等之輪船受其影響，即粵梧兩關稅項收入，亦蒙莫大之不利，蓋輪船無貨可載，則海關實無轉口稅可徵，質諸粵梧兩關，則彰彰可攷，是則

政府對於西江一部分轉口稅，無毫釐收入之益，於工商則有莫大之害，又何苦留此有名無實之西江一部分轉口稅，而至商輪等及千餘失業工人於死地，況查我國之設有轉口稅，迺專徵國內由甲省轉乙省

之土貨，所謂民船免納轉口稅者，係指行走本省內地各口岸而言，如航行他省，則無論任何船隻，所載貨物，必須完納轉口稅，方能運往，復查自裁撤釐金後，對於拖渡，祇准行走本省內地各口岸，如航行廣州梧州，則仍須完納轉口稅，方無礙稅收，證之民國二十年七月間，輪拖渡商人，曾聯同向前粵海關稅務司邀求拖渡免納轉口稅，准其行走廣梧，旋奉批示，「着遵照輪船完納轉口稅，方准行走廣州梧州，以符稅制之規定，仰即遵照，」在案，則最爲明顯，迺狡黠渡商，竟乘

政府頒發民船行走本省內地各口岸，免納轉口稅功令之際，迺取巧避稅，將桂省之梧州，劃爲本省內地口岸，瞞呈

政府，意圖窺避免納轉口稅，當時兩廣爲軍閥專政，而

政府因鞭長莫及，至受其朦蔽，遽行准予免納轉口稅，行走廣梧，是則對於稅制之規定，實有所抵觸，倘

政府仍任其行走兩粵，而又不將稅制劃一待遇，設使商公司等亦裝置同樣之輪拖渡載運客貨，航行粵滬，

政府其亦准許商輪等免納轉口稅乎，不知稅制在

政府均已明白規定，對於航行他省，如免納轉口稅，實與稅制規定不符，惟是兩粵西江一部分之轉口稅，則適得其反，商輪等前經將稅制不平待遇及困苦情狀，疊呈

鈞署請求救濟在案，惟至今仍是彼徵此免，同屬中華赤子，在政府待遇商民，似不宜有畸輕畸重之別，倘長此以往，

政府若仍不將西江一部分轉口稅劃一待遇，則商輪等及千餘失業工人，祇有坐而待斃，今幸中央重奠粵局，與民更始，商輪等不啻如重見天日，故爰本不平則鳴之義，謹將以前備受不平待遇情形，瀝情續陳

鈞署察核，懇請迅予將西江一部分轉口稅制劃一待遇，徵則同徵，免則同免，俾得一視同仁，以維航運，而昭公道，實叨德便，謹呈  
國民政府財政部關務署署長鈞鑒

省  
梧 同福船務公司

華  
商 順安輪船

三興輪船公司

華  
商 梧新昇明輪船

西興輪船公司

華  
商 民安輪船

省  
梧 廣寬輪船

省  
梧 西南輪船

省  
梧 廣雄輪船

省  
梧 南寧輪船

省  
梧 廣英輪船

中華民國二十五年九月十二日

具狀人

李海成  
劉光簽名  
何劍泉

總稅務司呈 關務署文第一〇五〇九號 中華民國二十五年十二月十五日

案查關於廣東輪船商劉光等呈請迅將西江轉口稅制劃一待遇一事。前奉

鈞署本年九月二十八日則字第二二五七六號訓令，飭將廣梧間輸運貨物之轉口稅應否即予豁免，以維航業之處，核議具復，以憑辦理等因，當經令飭梧州粵海兩關稅務司就近詳查研究，并擬具意見，呈候察酌，一面於十月十六日，備具第一〇一七二號文，陳明俟該稅務司等復到，再行核議呈復在案。茲據梧州關稅務司富那根、粵海關稅務司李度、本年十一月二十三日會銜呈稱：

「查廣州江門梧州三水各口岸，在常關未裁以前，向皆互相視為內地。所有往來各該口岸間之民船，無論是否由內港輪船拖帶，概免赴常關報驗，其所載貨物亦無須繳納常稅。後雖常關裁撤，此種辦法，未嘗變更。並經呈由鈞署轉奉

關務署二十一年一月二十七日則字第六九〇一號指令，為提倡土貨貿易起見，准予照舊辦理等因。嗣奉鈞署通令轉行

關務署二十二年三月二十四日則字第九三六四號指令，以土貨由通商口岸用內港輪船運赴內地

，於途中經過另一通商口岸，應一律徵收轉口稅等因。然在該四口往來內港輪船拖帶民船所載之土貨，并未實行照徵，亦於二十二年四月間呈明有案。似此情形，是各該口岸之土貨以民船載運，或經內港輪船拖帶，既免徵一切稅項，而輪運土貨，則須照納轉口稅，致拖輪日漸增加，而輪船營業則日漸衰落。茲奉前因，按該輪商等所稱行走廣梧間載運客貨輪船同航異稅，待遇不平，請予救濟，尙屬實在情形，回溯當民國二十年間該航線各輪船商，曾因營業衰落，請由梧州關轉求救濟，擬懇免稅輪運轉口貨物。嗣奉轉行

關務署二十年七月二十四日則字第五七六八號指令，未准所請。現該輪船業衰落狀況更甚於前，竟由十艘減至一艘，每月祇往返六次，仍有行將停頓之虞。以重要如廣州及梧州等口岸之間，如竟致輪船直接往來之交通完全停頓，兩埠客商亦殊感不便。現

關務署對該輪船商等之請求救濟，如擬准予所請，則變通辦法，惟有對於直接往來廣州江門三水梧州間之輪船，准予按照內港行輪章程行駛，并准將廣梧等四口一律視為內地，輪運土貨在各該口間往來運輸，准予免完轉口稅項，照民船拖渡同樣待遇。此種辦法，雖與他處未能一致

，然亦久沿爲例，不過前係限於民船拖渡貿易，現則併及於輪船，藉資調劑以昭平允，固非今始創行。／

至就稅收而言，現所擬變更辦法，影響當屬甚微。查民國二十四年度，梧州關所收輪運廣州貨物之轉口稅，僅爲國幣七千三百元。同年粵海關對於輪運梧州貨物之轉口稅，則并無收入。此外經函詢江門三水兩關，是年所收前項轉口稅，數皆微末，連上述之七千三百元共計亦不足八千元，似亦無足輕重。至謂採行此項辦法，乃爲行駛通商口岸間輪船貨物，開一免完轉口稅之先例，固屬事實。惟此係本諸廣州江門三水梧州四口原有之特殊情形辦理，自非國內其他各處所可援以爲例。對於轉口稅之整個問題，當亦不致發生影響，誠以來往此四口之輪船，如係按照普通通行輪章程者，則仍須完納轉口稅，自於現行稅制相符。／

根據以上論列各點，竊以對於往來廣州江門三水梧州四口間之輪船，如准予按照內港行輪章程行駛，其經過口岸，亦准視同內地，則此項船隻所載土貨，自得免完轉口稅，似於輪商困苦可期解除，而於現行稅制，亦尙無甚違背。是否有當，理合會擬呈復，伏乞鑒核。」

等情前來。職署復核該稅務司等會呈各節，尙屬詳盡，所擬辦法，亦不無見地。究竟是否可行，理合據情備文轉請

鈞署核奪

謹呈

財政部關務署長鄭

財政部關務署指令則字第二三八〇三號 中華民國二十五年十二月二十一日

令總稅務司梅樂和

二十五年十二月十五日第一〇五〇九號呈一件爲關於廣東輪船商劉光等呈請迅將西江轉口稅制劃一待遇一事飭據梧州粵海兩關稅務司會陳救濟辦法據情轉請核奪由

呈悉。查往來廣州江門三水梧州四口之輪船，既據轉飭查明確有停頓之虞，應准照該梧州粵海兩關稅務司所擬辦法辦理，對於所載土貨免徵轉口稅，以資救濟。仰卽轉飭遵照。此令。

## ENCLOSURE No. 2.

*The Inspector General to the Canton Commissioner.*

No. 9440.

Commrs.

Canton.

No. 163455.

SHANGHAI, 17th October 1936.

SIR,

With reference to I.G. despatch No. 8130/139103:

Informing you that the Kuan-wu Shu had been recommended to authorise the Canton Junk Office to continue to treat Kongmoon, Wuchow, and Samshui as inland places, and that native goods carried by towed junks should continue to be exempt from the levy of interport duty:

to I.G. despatch No. 8145/139394:

Enclosing copy of Kuan-wu Shu despatch No. 6901 sanctioning the above recommendations:

and to Canton despatch No. 13880:

Reporting the inadvisability of carrying out the instructions of Circular No. 4599, as the South-west Political Council had given orders that interport duty was not to be charged on native goods shipped by I.W.S.N. vessels on the West River from a treaty port to an inland place *via* another treaty port:

I have now to enclose, for your information and guidance, copy of Kuan-wu Shu despatch No. 22576, from which you will see that the Shu have been petitioned by the T'ung Fu, San Hsing, and Hsi Hsing Steamship Companies to place the eight steamers belonging to them, formerly on the Canton-Wuchow run, on the same basis as towed vessels as regards exemption from the levy of interport duty on native produce, or, if such exemption cannot be granted, to impose this duty on such produce when carried in towed vessels, and thus restore equality of treatment. The Shu then state that the question of the complete abolition of interport duty has lain in abeyance since the autumn of 1934, when correspondence had taken place between them and the Officiating Inspector General. The Shu add that since it is impossible to put into effect at the present moment the complete abolition of interport duty, and since the petitioning steamer owners on the West River are in need of relief,



I am requested to submit comments on the question whether interport duty leviable on native produce when steamer-borne between Canton and Wuchow should now be abolished in order to relieve the shipping trade.

Unless the Government is prepared to abolish interport duty *in toto*—and that is a step which calls for very mature consideration—and unless there are very good reasons to the contrary, it would, it seems to me, be both inequitable and inadvisable to suggest that West River steamers should be specially exempt from this levy, and thus be out of line with general procedure. I am, however, open to argument on this point, and so before replying definitely to the Shu I have to request you and your Wuchow colleague to study the question thoroughly in the light of present circumstances and to submit to me, as quickly as possible, a report, with Chinese version in duplicate, giving your joint findings and recommendations.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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*The Canton Commissioner to the Inspector General.*

No. 14660.

I.G.

CANTON, 23rd November 1936.

SIR,

With reference to I.G. despatch No. 8130/139103:

Informing me that the Kuan-wu Shu had been recommended to authorise the Canton Junk Office to continue to treat Kongmoon, Wuchow, and Samshui as inland places, and that native goods carried by towed junks should continue to be exempt from the levy of interport duty:

to I.G. despatch No. 8145/139394:

Enclosing copy of Kuan-wu Shu despatch No. 6901 sanctioning the above recommendations:

and to Canton despatch No. 13880:

Reporting the inadvisability of carrying out the instructions of Circular No. 4599, as the South-west Political Council had given orders that interport duty was not to be charged on native goods shipped by I.W.S.N. vessels on the West River from a treaty port to an inland place *via* another treaty port:

I now have the honour to acknowledge receipt of your despatch No. 9440/163455:

Forwarding copy of Kuan-wu Shu despatch No. 22576, stating that the Shu have been petitioned by three steamship companies to place the eight steamers belonging to them, formerly on the Canton-Wuchow run, on the same basis as towed vessels as regards exemption from the levy of interport duty on native produce, or, if such an exemption cannot be granted, to impose this duty on such produce when carried in towed vessels; and instructing my Wuchow colleague and me to study the question thoroughly in the light of present circumstances and to submit to you our joint findings and recommendations:

and, in reply, to say that we consider that the steamship companies which have petitioned the Kuan-wu Shu are fully justified in complaining that the existing system of Customs taxation between ports in the Canton delta and Wuchow discriminates severely against the steamer traffic, and in requesting relief from the Government.

As early as 1931, the steamship companies petitioned the Government, through the Wuchow Commissioner (Wuchow despatch No. 3620/I.G.), and stated that, on account of the favoured duty treatment accorded to native cargo carried by junks, the interport trade between Wuchow and Canton was passing more and more into the hands of the junks and that the Wuchow-Canton steamer traffic was threatened with extinction. The Commissioner reported that the number of steamers on this run had been reduced from ten to five during the preceding six months. In reply to the 1931 petition, the Kuan-wu Shu pointed out that "junk and steamer borne goods, the former paying likin or Native Customs duty while the latter are subject to Maritime Customs duties, are under entirely different systems of taxation and cannot be compared"; that interport duty was no new imposition; and that Chinese steamers could not be exempted when foreign steamers had to pay.

Since the Kuan-wu Shu gave this decision, the situation has been radically modified by the abolition both of Native Customs duties and likin, and native cargo carried in junks (whether towed or sailing) and towed lighters and cargo-boats has enjoyed exemption from interport duties when moved between Canton, Kongmoon, Samshui, and Wuchow (I.G. despatches Nos. 8130/139103 and 8145/139394). Junk-borne native goods are thus exempt from all taxation, while steamer-borne native goods continue to be liable to interport duty.

The result has been inevitable: while there was formerly no direct towed traffic between Canton and Wuchow, there are now at least eight tows plying direct; and, in the course of the past few years, the ten steamers which formerly plied on this run have dwindled to one—which makes six trips a month. A long-established steamer traffic is thus threatened with extinction, and the travelling and shipping public with the complete disappearance of direct steamer communication between two important cities. It might here be noted that no foreign interests are, at the moment, involved: the steamers concerned are Chinese-owned and Chinese-manned.

If the Kuan-wu Shu are prepared to afford relief to the steamship companies on the Canton-Wuchow run, there are four alternative methods by which steamers and junks can be placed on an equitable footing in so far as duty treatment is concerned:—

- (1) By abolishing interport duty on native goods carried between Canton, Kongmoon, Samshui, and Wuchow;
- (2) By abolishing interport duty on native goods carried between Canton and Wuchow;

- (3) By levying interport duty on native goods carried between Canton, Kongmoon, Samshui, and Wuchow on junks and towed vessels; and
- (4) By permitting steamers to run under I.W.S.N. Rules between Canton, Kongmoon, Samshui, and Wuchow direct.

(1) While we believe that the ultimate solution to the present question lies in the complete abolition of interport duty throughout China, in view of the Shu's decision that this step is impossible at the present moment, we concur in your opinion that it would be both inequitable and inadvisable to suggest that West River steamers should be specially exempt from the levy. Apart from the objection that such a system would be out of line with general procedure in other parts of China, however, the abolition of interport duty between Canton, Kongmoon, Samshui, and Wuchow would undoubtedly lead to a similar request from steamers on the Wuchow-Nanning run. As cargo carried by towed vessels between these two ports is subject to interport duty, the arguments for its abolition between the four delta ports do not, of course, apply; but it might seem inconsistent, and prove embarrassing, to maintain two different tariff policies on the West River.

(2) The arguments against abolishing interport duty on native cargo carried between Canton, Kongmoon, Samshui, and Wuchow apply with even greater force to the suggestion to abolish interport duty on cargo carried between Canton and Wuchow only. Such a step would certainly be followed by a request for the extension of similar treatment to goods carried between Samshui and Wuchow, etc. We consider that interport duty would have to be abolished between all four delta ports or between none.

(3) While the imposition of interport duty on native cargo carried by junks and towed vessels between the delta ports would bring about equality of tariff treatment as between steamer-borne and junk-borne trade, we consider that this procedure would be a retrograde step and inimical to domestic trade. The four ports concerned were for many years prior to the abolition of the Native Customs specially considered as inland places in so far as the junk trade was concerned, and cargo carried between them by junk paid Native Customs, and not Maritime Customs, duties. This exceptional status continued, as stated above, to be recognised after the disappearance of the Native Customs by the exemption of junk-borne cargo from interport duty. In any case, even if it were

desirable to levy interport duty on junk-borne cargo between the open ports, such cargo could, and would, be transhipped at inland places, and the levy of interport duty would thus be evaded.

(4) We consider that the fairest and most practicable way of relieving the plight of the Canton-Wuchow steamers is to extend to them the same privilege as is now afforded to junks and towed vessels, *i.e.*, to consider, for purposes of the tariff, Canton, Kongmoon, Samshui, and Wuchow as inland places, and to permit steamers to operate between and among them under I.W.S.N. Rules and thus be relieved from the obligation to pay interport duty on native goods carried between these four ports. It is true, of course, that this suggestion is at variance with general practice elsewhere, but it is not an entirely new departure, and is actually only an extension of the long-established recognition of the special status of these four ports, hitherto limited to the junk and towed-vessel traffic.

In so far as interport revenue on the Canton-Wuchow route is concerned, the effect of the change now recommended will be negligible: in 1935, Wuchow collected \$7,300 interport duty on steamer-borne cargo destined for Canton; while, during the same year, Canton collected no interport duty at all on native cargo for Wuchow. After consultation with the Commissioners at Kongmoon and Samshui, we find that the total interport duty collected in 1935 on steamer-borne cargo between the four ports concerned, including the \$7,300 mentioned above, was less than \$8,000.

The adoption of the proposal now put forward may elicit complaint on the part of the operators of the towed vessels on the Canton-Wuchow route, but we feel that complaints from this quarter would not be justified. Our proposal does not discriminate against towed vessels and junks, but simply equalises the duty treatment of cargo carried by these vessels and by steamers. Competition between these two classes of vessels should, we consider, be based on service and costs to the public, and not conditioned by inequalities in the application of Customs tariffs.

Although, in effect, our proposal opens a way for the exemption from interport duty of cargo carried by steamers between four open ports, we consider that, as it is done within the framework of the existing special status of these ports, it cannot be cited for application elsewhere in China; and it does not raise the question of the abolition of interport duty, which will remain leviable upon steamers—if any—trading between these ports under General Regulations.

In conclusion, therefore, we have the honour to recommend that steamers plying direct between and among the ports of Canton, Kongmoon, Samshui, and Wuchow be specially permitted to trade under I.W.S.N. Regulations; that these four ports be considered as inland places in so far as this trade is concerned; and that, in consequence, native goods carried by such vessels be exempt from the payment of interport duty.

A Chinese version of this despatch, in duplicate, one appended and one enclosed, is forwarded herewith.

We have, etc.,

A. FERAGEN,\*

*Commissioner, Wuchow.*

L. K. LITTLE,†

*Commissioner, Canton.*

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\* Andreas Feragen was born on the 23rd October 1891 at Arendal, Norway, was educated at the University of Oslo, and joined the Customs Service on the 27th May 1912 as 4th Assistant, B. During his first term he served at Shanghai, Ningpo, Harbin, Kiukiang, and Wuchow, and during his second at Amoy and Shanghai, where he was Acting Assistant Director of the Appraising Department. On return from his second long leave he was stationed for a year and a half at the Inspectorate, Peking, where he occupied the post of Acting Assistant Audit Secretary. After short terms of service at Swatow and at the Wuhu Native Customs he was once more transferred to the Inspectorate, this time at Shanghai, in the capacity of Assistant Financial Secretary. He was promoted Deputy Commissioner on the 1st October 1930. In 1934-35 he was for a short time District Accountant at Shanghai, after which he was Acting Commissioner, first at Kiukiang and subsequently at Wuchow, at which latter port on the 1st October 1936 he was promoted Commissioner. On the 1st April 1938 he was appointed Administrative Commissioner (additional) at Shanghai. Mr. Feragen has been specially commended by the Ministry of Finance for his skilful handling of the situation at Wuchow when the local authorities were in revolt against the Central Government.

† Lester Knox Little was born on the 20th March 1892 at Pawtucket, Rhode Island, U.S.A., was educated at Dartmouth College, where he graduated B.A. in 1914, and joined the Customs Service on the 21st October of that year. From November 1914 to the end of October 1916 Mr. Little was at the Inspectorate at Peking, after which he served for three and a half years at Shanghai, and for a few months at the Tientsin Native Customs before going on long leave. While at home Mr. Little took up post-graduate work at Brown University, and qualified there in 1921 for the M.A. degree. On return from furlough he served at the Amoy Native Customs for three years, and at the Inspectorate at Peking for two years, where he was Acting Pensions Chief Accountant. During his third term he was at Tientsin for 18 months, at Shanghai for two and half years, most of the time as Acting Administrative Commissioner, and at the Inspectorate, Shanghai, for one year as Personal Secretary to the Inspector General. He was promoted Deputy Commissioner on the 1st October 1930 and Commissioner on the 1st September 1932, when he was assigned to special duty with the Chinese Delegation to the League of Nations at Geneva in connexion with the Manchurian question. Mr. Little was again at the Inspectorate as Non-Departmental Secretary and as Personal Secretary from October 1933 to April 1934, after which he was transferred to Canton, where he remained till October 1938 when he once more proceeded on long leave. While at Canton Mr. Little was specially commended by the Kuan-wu Shu for his skilful handling of Customs affairs during the political crisis at Canton in July 1936.

## CIRCULAR No. 5439 (SECOND SERIES).

**Junk control systems: Northern, Yangtze, Formosan Straits,  
Kowloon, and Lappa, notified.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 22nd January 1937.

SIR,

The intensification of preventive activities consequent on the introduction of high duty rates soon made it evident that one of the main difficulties to be overcome was that, when junks from foreign countries were boarded and inspected by preventive vessels and the junkmasters declared that they were bound for treaty ports or for places on the coast where Customs establishments existed, and where their cargo could be examined and duties paid, there was no means of verifying such declarations and ensuring that the junks would not put in to unauthorised places and there discharge their cargoes clandestinely; it was manifestly impossible for preventive craft to escort all junks to their declared destinations, and it was therefore necessary to devise a scheme by which all junks would be brought under control by compelling them to report at certain strategically situated stations before proceeding to their destinations in China, any omission in this respect being treated as evidence of smuggling and the junk penalised accordingly. Such a system had been in force for some years in the Kowloon and Lappa districts and had demonstrated the value of this form of control, and sites for stations were therefore selected and a scheme was drawn up for control of junk trade from the so-called "Manchukuo," the Leased Territory of Kwantung, and Korea, and in the Formosan Straits, from all of which territories smuggling was prevalent. The scheme, which follows in the main those inaugurated at Kowloon and Lappa with the exception that it is only applicable to junks from abroad whereas both the inward and outward junk trade is so controlled in the latter districts, has proved eminently satisfactory, and it seems well that an outline of its requirements should be placed on official record for the information of the Staff in general. Accordingly in the appendix to this Circular will be found notes on the junk control system that embrace not only the system which is the special reference of this Circular, but also those in force on the Yangtze and at Kowloon and Lappa.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

APPENDIX.

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## NORTHERN JUNK CONTROL SYSTEM.

There are junk control stations at Chinwangtao, Miaotao Island, Weihaiwei, and Shihtao to deal with the junk trade from the so-called "Manchukuo," Dairen, and the Leased Territory of Kwantung, and from Korea north of approximately latitude  $36^{\circ} 55'$  or a point on the Korean coast denoted by the intersection of a line drawn due east from Shihtao Station. Control is exercised as follows:—

- (1) Junks coming from places on the coasts of the so-called "Manchukuo," the Leased Territory of Kwantung (including Dairen), and Korea, or from any other places abroad, and bound for all destinations on the coast of the Gulf of Pohai between Chinwangtao and Lungkow, inclusive, are required to report either at the Chinwangtao Station or the Miaotao Island Station, whichever is more convenient, but such junks are not permitted to pass west of a line extending from Chinwangtao through the Miaotao Island Station to the coast of Shantung province without having reported at one of the two stations.
- (2) Junks coming from places on the coast of the so-called "Manchukuo" on the Gulf of Liaotung and bound for destinations on the coast of China Proper other than the section in the Gulf of Pohai between Chinwangtao and Lungkow are required to report to the Miaotao Island Station and, if proceeding to destinations south of the South-east Promontory, to the Shihtao Station also.
- (3) Junks coming from places on the coast of the Kwantung Leased Territory (including Dairen)—
  - (a) If bound for places on the coast of Shantung province between Lungkow and Weihaiwei, are required to report to the Miaotao Island Station.
  - (b) If bound for places on the coast of Shantung province between Weihaiwei and Shihtao, are required to report to the Weihaiwei Station.
  - (c) If bound for any destination on the coast of China south of Shihtao, are required to report to the Shihtao Station.



- (4) Junks coming from places on the coast of the so-called "Manchukuo" on the Gulf of Yalu to the east of the Kwantung Leased Territory—
- (a) If bound for places on the coast of Shantung province between Lungkow and Shihtao, are required to report either to the Miaotao Island Station or to the Weihaiwei Station, whichever is more convenient.
  - (b) If bound for Shihtao or any destination on the coast of China south of Shihtao, are required to report to the Shihtao Station.
- (5) Junks coming from places on the coast of Korea between the mouth of the Yalu River and a point on the coast of Korea due east of Shihtao and bound for places on the coast of Shantung province between Lungkow and Shihtao are required to report either to the Weihaiwei or Shihtao Station, whichever is more convenient.
- (6) Junks coming from places on the coast of Korea south of a point due east of Shihtao, or from any other places abroad, and bound for destinations on the coast of Shantung province between Lungkow and Shihtao are required to report to the Shihtao Station.
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#### YANGTZE RIVER JUNK CONTROL SYSTEM.

For purposes of junk control the Yangtze River is considered to begin at Kiangyin, which may be regarded as the barrier where river junks on their outward journey first become subject to Customs control, or where, in other words, they assume the status of sea-going junks. The Maritime Customs station at Kiangyin is therefore a control station commanding on behalf of all Yangtze ports the movements of trading junks as they enter or leave the river.

The Kiangyin Station scrutinises the Pass-books of all junks passing the station, but whereas the station is normally the first to endorse the Pass-book of an outward junk in respect of any one particular journey, inward junks are required to show that they have obtained all endorsements called for by the Junk Regulations.

## FORMOSAN STRAITS JUNK CONTROL SYSTEM.

The junk control stations are three in number at Dwarf Anchorage, Tungshan, and Tungchung to deal with all foreign junk traffic inwards in the Formosan Straits. Control is exercised as follows:—

- (1) Junks from places abroad west of Tungshan and bound for destinations in China north of Tungshan to report at Tungshan, irrespective of whether they have reported previously at another Customs station or not.
- (2) Junks from Formosa and bound for destinations in China south of Ragged Point to enter Chinese territorial waters only in the vicinity of either Tungshan or Dwarf Anchorage, whichever of the two places is the nearer to their direct courses to their destinations or the more convenient in respect of winds and tides, and to report to one of these two stations.
- (3) Junks from Formosa and bound for destinations in China north of Ragged Point are required to report to the Dwarf Anchorage Station, unless the owner or master has reported to the Chinese Consul General at Taihoku prior to clearing from Formosa and obtained the following endorsement of the junk's Pass-book:

報	前	特	本
關	赴	准	船
查	東	直	駛
驗	冲	接	往

Junks in possession of this endorsement on their Pass-books are permitted to proceed direct to and report at the Tungchung Sub-office of the Santuao Customs.

- (4) Junks from places abroad north of Dwarf Anchorage and bound for destinations in China south of that place to report at Dwarf Anchorage, irrespective of whether they have previously called at other places at which Customs stations are established or not.

## KOWLOON JUNK CONTROL SYSTEM.

The Kowloon junk control system provides that all junks trading between China and Hongkong shall report on their inward and outward journeys at either the Samun, Taishan, or Lintin Station, whichever is more convenient.

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## LAPPA JUNK CONTROL SYSTEM.

The Lappa junk control system provides that all junks trading between China and Macao shall report on their inward and outward journeys at either Malowchow or Chienshan Station.

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## CIRCULAR No. 5471 (SECOND SERIES).

**Audit Secretariat: amalgamation of posts of Service Chief Accountant and Pensions Chief Accountant into new post of Chief Accountant, notifying; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *24th March 1937.*

SIR,

Various additions and/or alterations in accounts and property work rendered necessary recently by, for example, the new accounting procedure drawn up by the Ministry of Finance (Circular No. 5292) and the institution of income tax (Circular No. 5380), as well as the general increase in the volume of work occasioned by the stricter enforcement by the Government of the budget system, by increased staff, extended preventive activities, new construction ashore and afloat, etc., have resulted in the work devolving upon the Audit Secretary assuming proportions beyond one man's capacity to undertake. In order to relieve him of some of his responsibility, I have therefore decided to take this opportunity to amalgamate the two posts of Service Chief Accountant and Pensions Chief Accountant

into one, the title of the new post thus created being "Chief Accountant" (會計主任). This office will be filled by an employee of Commissioner's rank, either substantive or acting, who will thus become the senior member of the Audit Secretary's staff.

The Chief Accountant will be in charge of the work of both offices, which will continue to function separately under his control under the immediate administration of two Assistant Accountants, viz.: Assistant Accountant (Service) and Assistant Accountant (Pensions) respectively.

The above arrangements will become effective on 1st April 1937, and, beginning from that date, all returns, reports, etc., hitherto sent direct by the various officers in charge to the Pensions and/or Service Chief Accountant are to be addressed to the Chief Accountant, Inspectorate General of Customs.

Mr. W. E. Annett,\* Pensions Chief Accountant (temporarily) (Deputy Commissioner), who has experience of both Service and Pensions Accounts, has been selected as the first incumbent of the new post, and his appointment as Chief Accountant (Commissioner) will date from the 1st April 1937.

I am, etc.,

H. KISHIMOTO,

*For Inspector General.*

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\* William Edward Annett was born on the 2nd April 1895 at Lyons and was educated at the Lycée Ampère in that city. After spending two years in England and two years in Canada he joined the Customs Service on the 1st September 1914 as 4th Assistant, B. He served successively at Shanghai, Newchwang, Moukden, Changsha, and Mengtsz during his first term, and at Chungking (Wanhhsien) and the Inspectorate, Peking—where he was Acting Assistant Staff Secretary—during his second. On return from his second long leave he was stationed in turn at Tientsin, Chinwangtao, Canton, and Shanghai, while at Chinwangtao he had charge of that port and of Hulutao, and at Shanghai he occupied the post of District Accountant. He was promoted Deputy Commissioner on the 1st April 1932. From April 1936 to September 1938 he served at the Inspectorate, Shanghai, as Pensions Chief Accountant, and subsequently, as the Circular indicates, as Chief Accountant. He was promoted Commissioner on the 1st April 1937, and on the 1st October 1938 was given charge of Ningpo.

## CIRCULAR No. 5477 (SECOND SERIES).

**Inspector General: Sir Frederick Maze, Inspector General, appointed Counsellor to Chinese Delegation attending the Coronation of King George VI of England; Mr. H. Kishimoto, Chief Secretary, authorised to sign "For Inspector General" during the latter's absence from China, informing.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 3rd April 1937.

SIR,

I enclose copy of Ts'ai-chêng Pu despatch 特 No. 10, notifying that His Excellency Dr. H. H. Kung, Minister of Finance, has been instructed to proceed to England as Envoy Extraordinary to attend the Coronation of King George VI, and that I have been appointed Counsellor to accompany him.

I also enclose a copy of my Certificate of Appointment signed by the Generalissimo, together with copy of Kuan-wu Shu despatch No. 25200, from which you will note that during my temporary absence from China, Mr. H. Kishimoto, Chief Secretary, has been authorised to sign "For Inspector General" (代拆代行).

I have accordingly to inform you and the members of the Service that I am leaving Shanghai on the 4th instant and that, during my absence on this special duty, Mr. H. Kishimoto will be in temporary charge of the Inspectorate Office.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

ENCLOSURE.

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財政部令特字第十號中華民國二十六年三月二十六日

本部長奉

命赴英參加英皇喬治六世加冕典禮派該員爲參贊隨同前往仰卽遵照此令

財政部關務署訓令政字第二五二〇〇號中華民國二十六年三月二十六日

令總稅務司梅樂和

奉

部長諭「總稅務司梅樂和，現隨本部長赴英，該員出差期內，所有總稅務司職務暫由岸本廣吉代拆代行」等因，合行令仰該總稅務司轉行遵照。此令。

派字第十二號

## 狀 派

派 梅 樂 和 爲 參 加 英 王 喬

治 六 世 加 冕 典 禮 特 使 團

參 贊 此 狀

院 長 蔣 中 正

中 華 民 國 二 十 六 年 三 月 二 十 五 日

## CIRCULAR No. 5481 (SECOND SERIES).

**Customs Service: administration and efficiency of, commended by Marshal Chiang Kai-shek; conferment on the Inspector General of the Order of the Brilliant Jade with Blue Sash; notifying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, *7th April 1937.*

SIR,

With reference to Circular No. 5477:\*

Inspector General appointed Counsellor to Chinese Delegation attending the Coronation of King George VI; Mr. H. Kishimoto, Chief Secretary, authorised to sign "For Inspector General" during the latter's absence from China:

the Service is informed that, when taking leave of Marshal Chiang Kai-shek, the Inspector General availed himself of the opportunity to convey to His Excellency his sincere gratitude for the help and guidance which the Government, under the Generalissimo's distinguished leadership, had constantly given to the Customs during the recent period of exceptional difficulty, and pointed out that it is in consequence of the support thus received that the prestige of the Service has remained unimpaired throughout the country.

In reply to the Inspector General's communication, the Generalissimo has commended in the most generous terms the manner in which the Service has been administered, and has expressed his warm appreciation of the efficiency displayed, and as these sentiments undoubtedly reflect his confidence in the Service as a whole, whose loyalty and integrity have contributed in no small measure to the success which has been achieved in the face of most adverse circumstances, it has been decided to place a copy of this correspondence on record, for the information and encouragement of all members of the Staff.

Finally, you are informed that the Government have recently conferred upon the Inspector General the Order of the Brilliant Jade with Blue Sash (藍色大綬采玉勳章) (3rd Class), which is a decoration equivalent to that normally bestowed on Chinese officials of ministerial rank.

I am, etc.,

H. KISHIMOTO,

*For Inspector General.*

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\* *Antea*, vol. v, p. 666.



## ENCLOSURE.

總稅務司呈 蔣委員長函第一六九三號 中華民國二十六年三月二十七日

委員長鈞鑒敬肅者竊樂和此次奉派爲祝賀英王加冕典禮特使參贊實深榮幸惟樂和自維疎庸忝膺寵命感悚良深茲值啓行在即當於本月二十三日入都擬即晉謁

崇轅稟辭請

訓適

鈞座已先期赴杭懷結無似樂和此次赴英約於三個月之內回署供職茲於離滬以前謹將關務大致情形爲

鈞座縷晰陳之竊以近來中國國內各地方已甚安謐而凡百事業亦日趨於繁榮此種良好現象完全由於

鈞座督率領導悉協機宜之所致曷勝感佩現地方既趨於繁榮而海關亦蒙其利賴查本年海關稅收包括船鈔救災及關稅附加稅等項截至現在較上年同一時期增加達國幣二千八百萬元之譜是稅收方面已大有起色若以海關行政狀況而言現在惟有華北各關因其情形特殊辦理極感困難而各該關非

但能維持其固有之地位且能增加政府之權威因之中國對內對外之信譽日漸增高就中如山海關秦王島各關處境尤屬匪易必須審慎應付俾免發生糾紛樂和對於此點悉心體察曾經嚴飭各該關稅務司深切注意總之在已往數年之間樂和仰託

鈞座之德威並秉承財政部及關務署之訓示使華北各關在極端艱危之中得以維護關政之完整並行使其固有之職權此則私衷所引以自慰而仍當奮勉者也茲謹肅函稟辭恭祝

政躬康健

總稅務司梅樂和謹肅三月二十七日

國民政府軍事委員會快郵代電第一一二〇號  
中華民國二十六年三月二十九日

上海梅總稅務司助鑒來函具悉海關稅收日增具徵執事處理有方尤以督促各關在特殊困難情形下保持關務行政效率益見苦心曷勝佩慰唯祝旅途康樂並望早日返華供職爲幸蔣中正艷侍秘杭

## SEMI-OFFICIAL CIRCULAR No. 154.

## National crisis: Emergency Committee appointed.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 26th July 1937.

SIR,

I enclose, for your information and guidance, copy of confidential correspondence exchanged with the Kuan-wu Shu, from which you will see that during the present National crisis and pending the Inspector General's return to China, an Emergency Committee consisting of Messrs. J. H. Cubbon,\* Ting Kwei Tang,† K. E. Jordan,‡ E. A. Pritchard,§ and Hu Fu-sen,|| Secretaries at the Inspectorate,

\* *Vide* S/O Cir. No. 99, *antea*, vol. v, p. 284 (footnote).

† *Antea*, vol. iii, p. 635 (footnote).

‡ Knud Erik Jordan was born on the 2nd October 1888 at Amoy and, after a short business career, entered the Customs Service on the 8th March 1911 as 4th Assistant, C (on probation). He was appointed to Tientsin for six months, being transferred thence to Peking, where he remained for over three years, during which time he devised and elaborated a special telegraphic code for the use of the Customs Service, a code which, with necessary alterations and additions, still remains the Service code. In 1915 he was transferred to Shanghai, and here he remained for three years before proceeding on long leave. On return from furlough he was stationed for a time at Antung before being transferred to the Inspectorate at Peking, where he remained for over four years, acting first as Assistant Staff Secretary and later as Assistant Chinese Secretary. During his third term he served at Shanghai from 1926 to 1928, and was then appointed to take charge of the Native Customs at Tientsin. On the 1st April 1929 he was promoted Deputy Commissioner, and in the year following was sent to Mengtsz in charge, and subsequently to Kiungchow. On the 1st October 1931 he was promoted Commissioner. From April 1934 to April 1938 he was Personal Secretary to the Inspector General and in charge of the Private Secretariat; during these years he twice conducted the annual Inspectorate examination of Foreign Assistants in Chinese, and of the Hsüeh-hsi-yüan. In April 1938 he was appointed as Commissioner at Amoy. Mr. Jordan is a Knight of the Order of Dannebrog, and holds Silver Life-saving Medals bestowed by the French Government and by the Société Centrale de Sauvetage des Naufragés for conspicuous gallantry on the occasion of the burning of the *Georges Philippart* at sea on the 16th May 1932.

§ Edwin Alfred Pritchard was born on the 11th June 1893 at London and was educated at Charterhouse and Hertford College, Oxford. He joined the Customs Service on the 10th May 1913 as 4th Assistant, B. He was stationed first at Shanghai, then at Yochow, after which he was transferred in September 1914 to Moukden to study Chinese. During 1916 and 1917 he served at Mengtsz, and resigned in June of the latter year to join the British Forces. After being demobilised in January 1919 Mr. Pritchard rejoined the Service and was appointed to Tientsin Native Customs for a year, to be followed by two years and a half at Mengtsz. On return from long leave in the spring of 1924 he was appointed to the Inspectorate at Peking, where he acted as Assistant Chinese Secretary till the close of 1928, remaining at Peking in charge of Customs interests when the Inspectorate was moved to Shanghai. In December of the latter year he was promoted Deputy Commissioner. On return from long leave he was stationed at Swatow and Pakhoi before being moved to the Inspectorate at Shanghai to study preventive work and to help in organising the Preventive Secretariat. On the 1st April 1932 he was promoted Commissioner, and

has been appointed to deal with all confidential matters of National importance, and to apply the Inspector General's official Chinese seal to confidential correspondence on such matters.

An impression of the Inspector General's official Chinese seal was given in my confidential letter of the 24th July 1937.

I am, etc.,

H. KISHIMOTO,

*For Inspector General.*

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in the year following was appointed Preventive Secretary. In 1931 and again in 1932 he was selected to conduct the oral tests completing the Inspectorate Chinese examinations for those years. On return from long leave in April 1936 he was again appointed Preventive Secretary, a post which he held till October 1938, when he was transferred to be Commissioner in charge of the Kowloon district. It was due largely to Mr. Pritchard's energy and administrative ability that the preventive staff of the Customs reached that high standard of efficiency which characterised it before the outbreak of hostilities with Japan in 1937 put a temporary check on its activities.

|| Hu Fu Sen, a native of Kwangtung, was born on the 6th August 1885 in the Chungshan district. He was educated at the Boone University, Wuchang, and joined the Customs Service at Hankow in December 1903 as a Candidate Clerk. After five years' service at Hankow he was transferred to Ichang, where he remained for nearly seven years. In May 1916 he was retransferred to Hankow, serving there for 11 years before being moved in March 1927 to the Appraising Department in the Shanghai Customs. While at Hankow in August 1918 Mr. Hu was promoted to Assistantship rank. From then on his rise was rapid. In December 1919 he was promoted 4th Assistant, A; in June 1922, 3rd Assistant, A; in June 1925, 2nd Assistant, B; in September of that year, 2nd Assistant, A; in May 1929, 1st Assistant, A; and in October of that year, Chief Assistant, A. On the 1st October 1930 he was promoted Deputy Commissioner, and on the 1st April 1932 Commissioner. From April 1929 to 1932 he served in the Inspectorate at Shanghai in the Staff Secretariat, first as Assistant Staff Secretary and then as full Staff Secretary. In 1933 he was in charge of Hangchow for six months, after which he was again transferred to the Inspectorate in his former capacity as Staff Secretary. He fell due for retirement on the 20th December 1938, but was specially retained as his services were too valuable to be dispensed with. Mr. Hu has been awarded the Customs Gold Medal for Meritorious Service.

## ENCLOSURE.

總稅務司呈 關務署文第一一七五一號中華民國二十六年七月二十四日

案據職署總務科稅務司岸本廣吉電呈稱當此中日時局益臻嚴重時期所有職代拆代之職務其中有不便利由職代行之處似應由鈞座於總署各科稅務司中任命三人至五人組織一臨時委員會在鈞座未返國以前并於此時局嚴重期間代理鈞座辦理關於時局一切機密事件所有此項機密文件即用總稅務司小章鈐蓋施行至其他文件仍由職照舊辦理以上擬議辦法總署各科稅務司均表贊同如蒙核准即請指派各科稅務司若干人以便呈請署座核准組織臨時委員會等情當將此事呈奉部座面諭准行并由職派定職署財務科稅務司郭本漢文秘書科稅務司丁貴堂機要科稅務司卓爾敦緝私科稅務司白立查及典職科稅務司胡輔辰爲臨時委員會委員并飭即日將委員會組織成立在職未返國以前代理職執行一切機密公務以利國防而免疏虞理合備文呈請鈞署鑒核備案

謹呈

財政部關務署長鄭

關務署電第二四六〇號中華民國二十六年七月二十六日

梅總稅務司覽仁密一一七五一號密呈悉已呈奉部批准備案等因仰即知照署長鄭宥印

## SEMI-OFFICIAL CIRCULAR No. 159.

**Sino-Japanese conflict: safety of staff and adherence to rules and regulations during: Inspector General's remarks *in re*.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 21st September 1937.

SIR,

The tragic conflict between China and Japan began with dramatic suddenness and postal and telegraph communications were soon interrupted; trade and shipping either stopped altogether or were seriously hampered and disorganised; and the anomalous situation was further complicated by the fact that war has not been declared. In the unprecedented conditions thus prevailing it has not been possible to issue to Officers in Charge definite instructions covering diverse conditions, which change from time to time and vary in different districts—questions must be dealt with as they present themselves and according to the circumstances attending each case. Two matters, however, have exercised the minds of some Commissioners of late, namely, the safety of their staffs and establishments, involving, possibly, evacuation; and the strictness with which current rules and regulations should now be enforced, especially in the face of demands from local authorities for special expedition in passing Government stores, etc., in the absence of the usual Government instructions transmitted through the Inspector General.

In times like the present it is not expedient to adhere too closely to regulations designed for normal conditions: those on the spot must exercise their own judgment when faced with unusual emergencies where immediate decisions are often essential, and should proceed on broad lines in order to assist and co-operate with local authorities in their efforts to advance China's cause. The movement of indispensable supplies for military purposes should be facilitated as much as possible; and trade should be aided to the utmost by the application of a minimum of Customs formalities for the time being, compatible with reasonable revenue protection.

In regard to the safety of the staff at establishments which may be exposed to danger, it is unnecessary for me to state that it is incumbent upon all to stand firm and remain at their respective posts as long as possible, not only from a sense of duty and loyalty

to the country and the Government we serve, but also in the interests of the Service and in conformity with its ancient traditions; and each Officer in Charge must decide for himself what local steps should be taken to provide for the safety of his staff should an emergency arise. Foreign national authorities may advise—or even require—foreign members of the staff to evacuate, but an Officer in Charge would naturally find it difficult to comply in such circumstances if other members of his staff not given notice to evacuate offered to remain—the general principle to be borne in mind, as already indicated, is that Customs officials should not leave their posts except in the face of imminent danger or until compelled to do so by *force majeure*.

A Chinese version of this S/O Circular is attached.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE.

總稅務司機要通令第一五九號

查此次中日戰事，突然爆發，郵電交通，頓形梗阻，各埠商業航運，非陷於停頓狀態，卽感受重大障礙，此種非常情形，因中日未經宣戰，又屬更爲複雜，各埠所處之地位，既不相同，而且時有變遷。本總稅務司在此種情勢之下，對於各關應付辦法，自不能頒發確定命令，俾資遵守，應由各關稅務司，對於本口發生各項問題，酌核情形審慎應付，以期有裨實際。茲經本總稅務司詳加體察，近來各關所最感困難之問題，厥有兩項。一爲執行關章問題，二爲關員安全問題，關於第一項問題，舉其重要者而言，現在各埠地方當局，遇有報運軍用或其他物品時，往往在各關未奉本署轉行政府放行命令以前，要求海關速予放行，各關稅務司對於此種情形，應如何執行關章，實有研討之必要。本總稅務司以爲海關現行章則，原係按照普通情形而定，當此非常時期，對於施行此項關章，自不宜過於拘執，各關稅務司遇有緊急事件發生，應



本個人之理智，爲適當之措置，而立予決定，要在與當地機關充分合作，以期迅赴事機。根據此項意旨，則對於進口之軍需用品，須充分予以便利，固不待言，即對於其他貨運，在維護稅收範圍之內，亦應將海關手續，予以減少，俾利商運而裕國課。關於第二項問題，查海關人員，不論如何艱險，應繼續執行職務，不得擅離職守，此不但爲關員之天職，且爲效忠政府，及保持海關聲譽計，均須服膺斯義。凡我海關人員，當能共喻此旨，初無待本總稅務司之諄諄誥誡。各關稅務司，遇有非常情形，固應審度情勢，設法保護關員之安全，但非遇極端危險，或被武力強迫仍須照常服務，不得擅離職守，各國外交當局，雖或有勸令外籍關員撤退之舉，但該關稅務司爲顧全職責，保持威信起見，在其他人員，未經准許撤退以前，自難予以照辦。以上兩端，關係至爲重要，各關稅務司均應按照以上指示意旨，切實奉行，以期共濟艱難，本總稅務司有厚望焉。除分行外，合行令仰該關稅務司遵照辦理。切切此令。

## SEMI-OFFICIAL CIRCULAR No. 160.

**Sino-Japanese conflict: Coast Lights service, arrangement concluded for maintenance of, notifying; relative correspondence attached.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 24th September 1937.

SIR,

Soon after my return to China last month I represented to the Government the importance of maintaining the service of the Coast Lights without interruption, on the lines determined in 1932 in somewhat similar circumstances (*vide* S/O Circular No. 83),\* and I was subsequently authorised to address the Japanese Ambassador on the subject, who was requested to approach the Naval Authorities with a view to securing non-interference with the routine work of the Lights tenders concerned. And in due course I received an assurance that the operations of the latter will not be impeded, provided certain measures are observed in respect of special signals to be exhibited, etc. The arrangement thus concluded is satisfactory, and I trust that the efficiency of the Lights service will be successfully maintained during the present crisis in the general interest of trade and international shipping.

A copy of the relative correspondence is attached for record.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Antea*, vol. v, p. 3.

## ENCLOSURE.

*Sir Frederick Maze to Mr. S. Kawagoe, Japanese Ambassador,  
dated Shanghai, 2nd September 1937.*

SIR,

I have the honour to subjoin for Your Excellency's information a list of Customs Lights steamers, which are engaged in serving the Coast Lights of China—a work of international as well as of local importance.

The first three vessels named are based at Shanghai and the fourth at Amoy, and I request Your Excellency to be good enough to notify the Japanese Naval Authorities accordingly, and request them not to interfere with the free movements of the ships in question.

I may add that each of them will fly the following signal at the fore (International Code):—

“Lighthouse Tender: IRJ OUU.”

I have, etc.,

F. W. MAZE,  
*Inspector General of Customs.*

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LIST OF CUSTOMS LIGHTS TENDERS.

Haihsing (海星), Shanghai.	Haikuang (海光), Shanghai.
Liuhsing (流星), „	Pingching (併徵), Amoy.

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*Mr. S. Kawagoe, Japanese Ambassador, to Sir Frederick Maze,  
dated Shanghai, 20th September 1937.*

SIR,

I have the honour to acknowledge receipt of your letter of the 2nd instant enclosing, for my information, a list of Chinese Customs Lights steamers and requesting me to inform the Japanese Naval Authorities not to interfere with their free movements.

I have the honour to state in reply that the Japanese Naval Authorities have been duly informed of the contents of your communication, and they wish to inform you that they have at present no intention of interfering with the Chinese Customs Lights steamers provided that they do not impede in any way the operations of the Japanese Naval Authorities and under the following conditions:—

1. Denominations of vessels and range of their movements:

DENOMINATIONS.	RANGE OF MOVEMENTS THROUGH WATERS FOR ORDINARY NAVIGATION.
Hai-kwang (海光)	{ From Pei-yü-shan Island (北 山島) to Haichow (海州) (including Whangpoo and Yang-tze-kiang).
Liu-hsing (流星)	
Ping-ching (併徵)	From Pei-yü-shan Island to Hongkong.
1 Launch . . . .	From Chefoo to Kungtantao.
1 Junk . . . . .	From Chefoo to Howki Island.
1 Junk . . . . .	From Hongkong to Haikow (海口).
Hai-hsing (海星)	From Taku (大沽) to Haikow (海口).

2. Marks of identification:

- (1) When anchored at places of service, the flag "I.R.J. O.U.U." must always be flown.
- (2) All the vessels enumerated in 1., including junks, should paint their hulls white and, in the case of steamers, paint their funnels yellow.

3. Guards:

Japanese guards for protection will not, as a general rule, board the vessels. In case, however, when it is deemed necessary to board such guards, facilities should be extended to them in order to take them on board at such places and time as may be indicated by the Japanese Naval Authorities.

4. Time and range of movements:

- (1) Movements of the vessels are limited to from sunrise to sunset.

- (2) The range of movements of the vessels specified in 1. may be temporarily curtailed in order to avoid any mishap.

5. Advance notice about the movements of Customs Lights Tenders:

When movements of Customs Lights Tenders are in contemplation, details thereof must be communicated to the Staff of the Third Fleet, I.J.N., from 1 to 2 weeks in advance.

6. If the conditions mentioned in the preceding paragraphs are not complied with, the Japanese Naval Authorities cannot hold themselves responsible for any untoward consequences.

I avail myself of this opportunity to extend to you, Sir, the assurance of my high consideration.

S. KAWAGOE.

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## CIRCULAR No. 5520 (SECOND SERIES).

Customs College, graduates of: modification in conditions of appointment to Service; abolition of rank of Hsüeh-hsi-yüan and introduction of that of 4th Clerk, B (on probation); promotion to rank of Assistant thrown open to Service Clerks of rank of 3rd Clerk, A, and above by annual competitive examination; I.G.'s remarks and instructions *in re*.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 23rd June 1937.

SIR,

1.—With reference to Circular No. 2001:\*

Notifying the arrangements made for the employment of the first (1913) class of graduates of the Customs College:

to Circular No. 2228:†

Notifying, in regard to the 1914 and future graduates of the Customs College, a modification of the provisional procedure arranged for the employment of the 1913 class, the new procedure to consist of the appointment of these graduates as Chienhsi for a period of one year, at the end of which time a certain number, according to qualifications, were to be appointed 4th Chinese Assistants, C, the remainder being drafted into the list of 3rd Clerks, C:

to Circular No. 3601:‡

Notifying a further modification in the method of determining the Service careers of Chienhsi whereby these employees, on completion of one year's service, were to be graded according to merit either as 4th Assistants, B, 3rd Clerks, B, or 3rd Clerks, C:

to Circular No. 3805:

Notifying, *inter alia*, the introduction of the title Hsüeh-hsi-yüan for those employees formerly known as Chienhsi:

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\* *Antea*, vol. iii, pp. 91-96.

† *Antea*, vol. iv, p. 80.

‡ *Antea*, vol. iii, pp. 189-191.

and to Circular No. 3873:\*

Notifying, *inter alia*, the abolition of the grade C in the ranks of Chinese Clerks and the introduction of two additional ranks, 4th Clerks, A and B:

I have to inform you that the reorganisation of the Service, based on the principle of equality between Chinese and foreigners, as notified in the last-mentioned Circular, attended, as it necessarily has been, by the promotion of Chinese employees to the highest administrative ranks of the Service, together with the ever-increasing complexity of Customs work, has demonstrated the fact that the present system whereby Hsüeh-hsi-yüan, on completion of a year's service as such, are graded in accordance with merit either as 4th Assistants, B, or as 4th Clerks, A or B, is not entirely satisfactory either from the point of view of the Service or from that of the individual. That this fact was realised not only by myself but also by the individuals most closely concerned, viz., the body of Service Clerks, was made abundantly clear by my receipt towards the end of last year of petitions from the Clerks at practically every port, the burden of which was a request for equality of treatment between Clerks and Assistants.

2.—I think it will be generally agreed that the complete amalgamation of the ranks of Assistants and Clerks as proposed in the petitions referred to is not only impossible but, in the interests both of the Service and of the individuals concerned, undesirable. There will always be a need for employees of both categories—Assistants (eligible for promotion to the ranks of Deputy Commissioner and Commissioner) to perform the administrative and more responsible functions of the In-door Staff; Clerks to perform the routine and less responsible functions thereof. While among the present staff of Clerks there are doubtless some who are capable of performing the duties pertaining to the first category, I think it can be stated without fear of contradiction that there are many, probably a vast majority, that are not so suited. To accord these latter employees equality of treatment with the present body of Assistants would be manifestly unfair to the latter and would have the inevitable effect of lowering, in course of time, the present satisfactorily high standard of Assistants as a class. I do, however, very strongly sympathise with the dissatisfaction expressed by the Clerks at the present system whereby the decision as to which of the two categories an employee is to be finally placed in is arrived at after what may be termed a probationary period of only one year.

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\* *Antea*, vol. iv, p. 174.

3.—I accordingly addressed the Kuan-wu Shu in the above sense and made certain representations with a view to altering the present method of determining the Service careers of graduates of the College. From the enclosed copy of correspondence with the Shu, you will see that my recommendations have been generally approved and that, commencing with the 1937 graduates of the College who will enter the Service during the present year, the following procedure is to be enforced:—

- (i) The rank of Hsüeh-hsi-yüan will be abolished, and the graduates of the College will be appointed 4th Clerks, B (on probation), their probationary period being of one year's duration.
- (ii) After one year's satisfactory service on probation, these employees will be confirmed in their appointment and promoted to the rank of 4th Clerk, A.
- (iii) In the event of their services during their probationary period being unsatisfactory, this period may, at my discretion, be extended for a further period or it may be necessary to dispense with their services.
- (iv) They will continue to serve in the ranks of Service Clerks until such time as they attain the rank of 3rd Clerk, A, when, if physically fit and recommended by their port Commissioner as suitable for Assistantship in so far as character, work, and ability are concerned, they will be eligible to sit at a competitive examination of Clerks for promotion to the rank of Assistant, such examination being held annually.
- (v) The selection of candidates to sit at this examination from among those Clerks eligible will be made by myself on the strength of the candidate's Confidential Reports and of his Commissioner's recommendations.
- (vi) In order to give encouragement to, and meet the aspirations of, those Clerks deserving of advancement, the minimum annual number of vacancies for Assistantships will be fixed for the time being at six, which number may, of course, be exceeded if Service requirements so permit.

4.—In view of the above changes I have decided that the port quarterly examinations hitherto held for Hsüeh-hsi-yüan are to be discontinued for the time being in the case of these employees, although it is to be understood that similar examinations for men serving on probation may be started again later should experience



show them to be necessary. In order, however, to ensure that the In-door graduates of the Customs College on first appointment are properly supervised and that their progress is fully recorded throughout their probationary period, Commissioners are to call for quarterly reports, to be prepared by the Deputy Commissioner or Assistant in charge of the office in which the probationer has been working, on each 4th Clerk, B (on probation), stationed in their districts. Copies of these reports are to be forwarded under cover of despatch to the Inspectorate at the end of the probationary period, at the same time as the Commissioner submits his recommendations for confirmation or otherwise of each man's probationary appointment, a special Confidential Report on form [F. 34a] recording the employee's work, conduct, general behaviour, etc., also being submitted in accordance with the instructions of Circular No. 1721. Prior to confirmation each employee will be required to undergo a second medical examination, and a copy of the medical certificate issued as a result thereof is to accompany the special Confidential Report called for above.

5.—The opportunity of qualifying for promotion to the rank of Assistant by means of competitive examination will not be confined to graduates of the 1937 and future classes of the Customs College, but will be open on the same terms to all Clerks in the Service holding the rank of 3rd Clerk, A, or above.

6.—Detailed instructions concerning the first competitive examination to be held under the system now inaugurated will form the subject of a separate Circular to be issued in due course.

7.—Finally, I have to inform you that the arrangements for the examination of the Hsüeh-hsi-yüan who graduated from the Customs College in May 1935 as notified in Circular No. 5505 are in no way modified by the present instructions, nor will the graduates of the 1936 class—at present stationed in Shanghai—be affected thereby.

I am, etc.,

H. KISHIMOTO,

*For Inspector General.*

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## ENCLOSURE.

總稅務司呈 關務署文第一〇六一〇號 中華民國二十六年一月六日

## 案查前奉

鈞署二十五年七月十日總字第二一四六一號訓令，以據稅務專門學校呈，擬添招內勤訓練班新生一班，定額三十五名，畢業期限縮短為一年，而提高入學資格，以國內外各大學畢業生為限，等因。當於七月二十日，備具第九六四零號文，呈明該項內勤訓練班定額三十五名，定期一年畢業，實超過海關需要遠甚，請賜考慮，酌予核減名額，至多以二十五名為限，并令行稅務學校知照，在案。／

茲查該項內勤訓練班學生，業經入學肄業，轉瞬即屆畢業之期，而從前海關任用該校內勤班畢業生辦法，按職署歷年經驗所得，殊有改善之必要，似應乘此時機，將該項任用辦法，重新規定，以資遵守，茲謹將任用辦法暨應予改善理由，為鈞座縷晰陳之。／

查從前該校內勤班學生，在校肄業四年期滿，派關服務，曾奉前稅務處民國三年六月十六日利字第八零號飭知民國二年所派之見習員，均按各關稅務司所報，擇其優者，酌升數人為四

等丙級幫辦，月薪關平八十兩，其餘留爲見習員，仍支關平六十兩，俟有缺額時，升爲幫辦，或編入三等乙級供事之列，至民國三年之稅務學校畢業生，亦派往海關充當見習，月薪關平五十兩，俟一年期滿，其程度不足擢升幫辦，或幫辦缺滿無法升補者，即改編三等丙級供事，月支關平五十兩，嗣後該校畢業生，派入海關，均照此辦理，等因。歷經遵辦。其後，雖將見習名稱改爲學習員，供事改爲稅務員並遵照

鈞署十八年二月二十七日第三零六號令轉改善關制審查委員會議決案之規定，取消稅務員各等中之丙級，另添四等一二兩級稅務員，經改定新給，將學習員月薪增至關平七十兩，但該校內勤班畢業生之任用辦法，並無變更，所有畢業生派關服務，均係先派充學習員，俟一年期滿，即分別派充四等二級幫辦，或四等一級稅務員。其派充幫辦或稅務員之標準，則以學習期內之成績及考試而定，尤以考試爲重。惟學習期僅一年，時間極爲短促，各學習員在此期間內，既難充分表現其能力，而考試則僅爭一日之短長，尤難以盡覘其學識之豐齊遑憑以決定派充幫辦或稅務員，在各學習員實有幸不幸存乎其間，在海關意圖拔取真才，亦難盡得其當。以故歷年學習員之擢升幫辦者，每有後經證明其學識才力

，匪獨不堪洊升稅務司或副稅務司之任，即資深幫辦應負之職務，亦力有未勝，而派充稅務員者，經多年之歷練，正不乏才能卓著，足以充任幫辦之材。於此可見該項任用辦法，顯有未妥，自應酌予改善，以昭公允。／

基於上述情形，擬自上年招考之內勤訓練班起，嗣後所有內勤班畢業生派關服務，不再派充學習員，而逕行一律派充試用四等二級稅務員，其試用期，以一年爲限，期滿，由各該管海關稅務司繕具報告，經審核滿意者，即正式派充四等二級稅務員。否則，得延長其試用期限，或竟予以免職。其試用期滿派充稅務員者，應俟考察其學識才力，將來洊升高位，確能勝任者，始得擢升幫辦之職。以後幫辦如有缺額，即由稅務員擇尤提升。其提升辦法，前經特派考察海關行政專員丁貴堂於其所具考察報告內，曾經擬議及之，現正在審核中，一俟審核完竣，即當呈核，目前似仍可暫照向來辦法辦理。以上擬議各節，實係爲選拔真才起見，如蒙

核准施行，則目前海關對於學習員分別派爲幫辦或稅務員待遇之不平，可以消除，而海關行政，及各關係人員，亦交獲其益。所有擬議重訂稅務學校內勤班畢業生任用辦法及以後幫辦缺額由稅務員擇尤提升各緣由，是否有當，理合具文呈請

鑒核示遵。／

謹呈

財政部關務署長鄭

財政部關務署指令政字第二四一八〇號中華民國二十六年一月十九日

令總稅務司梅樂和

二十六年一月六日第一〇六一〇號呈一件呈擬重訂稅務學校內勤班畢業生任用辦法以後遇有幫辦

缺額由稅務員擇尤提升是否有當請核示由

呈悉，候稅務員擇尤提升呈辦辦法，一併妥擬呈署，再行核奪。此令。

總稅務司呈 關務署文第一一〇八八號中華民國二十六年四月二日

案查關於職署擬議重訂稅務學校內勤班畢業生任用辦法，以後遇有幫辦缺額，由稅務員擇尤提升

一案。前經於本年一月六日，備具第一〇六一〇號文，呈奉

鈞署本年一月十九日，政字第二四一八〇號指令內開：

「呈悉。候稅務員擇尤提升幫辦辦法，一併妥擬呈署，再行核奪。」

等因：奉此。查海關幫辦，在行政上，所負責任較重，非熟諳海關章則及辦事程序者，殊不足以勝任。按照現行辦法，由學習員擢升幫辦，各學習員之學習期間，僅有一年，在此短促之期間內，對於各該員之能力及品行，均難得有確切之判斷，該項由學習員擢升幫辦辦法，於海關及個人方面，自屬均有未宜。茲爲矯正起見，以後遇有幫辦缺額，擬卽由服務滿五年，品行優良之稅務員，擇尤提升。爰擬辦法如左：

一、自二十六年稅務專門學校內勤班畢業生起，一律派充試用四等二級稅務員，其試用期，訂爲一年，學習員之名稱取消。試用期滿成績優良者，提升爲四等一級稅務員，其成績欠佳者，或酌予延長試用期，或予以辭退。

二、每年舉行考試一次，凡按資升至三等一級稅務員，體格健全，並經該管稅務司保薦其品行，工作，能力，足勝幫辦之任者，均得令其參加考試。

三、該項考試每年准予參加人員，由總稅務司根據各稅務司保薦及歷年年終考成報告選定之。

四、爲鼓勵成績優良之稅務員起見，每年提升幫辦名額，現定爲六名，惟遇有需要較多時，得酌量增加。

五、與試落選者，至少須再過二年，方准再行參加考試，但僅以一次爲限。其考試及格，而以幫辦名額之限制未能提升者，得准再參加考試二次。

六、所有考試事宜，由典試委員會承總稅務司命令辦理，該會設委員四人，以典職科稅務司爲當然委員兼主席，其他委員三人，由總稅務司於各科稅務司中派充之。

七、考試分筆試及口試

(甲) 筆試，由典試委員會擬定各科題目，規定考試日期，寄交各關稅務司，屆期在各該關舉行考試，即由各該稅務司監考，試畢仍將試卷寄交典試委員會彙總評定，其科目如次：

(一) 中文論說，一百分。

(二) 英文，論說六十分，漢譯英四十分，共一百分。

(三) 算術，(就關員職務上需要如計算課稅等算術均注重之) 一百分。

(四) 常識，海關章程及辦事程序，一百分。

(乙) 口試，凡參加考試稅務員，經筆試中選者，即由典試委員會在總稅務司署舉行口試，就當時觀察各該員之才能，常識，品行，儀表，態度，及其他各點。並參照歷年年終考成報告決定之。

以上擬議辦法，如蒙

核准，該項考試，擬自二十七年起舉行。惟爲選拔人材起見，擬即由職署令飭各關查報所屬人員工作及需要情形，以便查核在行政上負有指揮責任之人數，藉爲計算幫辦應有額數之標準，倘有幫辦缺額，即於本年內舉行考試一次，以資選補。所有遵令擬議稅務員擇尤提升幫辦辦法各緣由，是否有當，理合具文呈請

鑒核，查照前呈，令飭遵行。／

謹呈

財政部關務署長鄭



財政部關務署指令政字第二六三七五號 中華民國二十六年六月十一日

令總稅務司梅樂和

二十六年四月二日一一〇八八號呈一件遵令擬議稅務員擇尤提升幫辦辦法請鑒核查照前呈飭遵由呈悉。查核所擬改訂稅務學校內勤班畢業生任用辦法，及由稅務員擇尤考升幫辦辦法，係爲慎選幫辦人材起見，大致可行，惟第一項稅校學生試用期滿，其因成績欠佳，須予辭退者，應先報署核准，以昭鄭重。第五項所規定之限制參加考試辦法，並無必要，蓋關於前半段者，在第二項內，已經規定，由稅務司保薦參加考試，其能力不足之人員，儘可不必保薦與考，關於後半段者，應視幫辦人員之需要，而預先決定應行考取之名額，其因額滿見遺者，應以未考取論，不應認爲考取，又加限制，至失選拔意義，故第五項應予刪除，又第七項甲筆試科目內，有算術一科，查幫辦在關，爲主持一部份事務之人員，而核算稅課，係稅務員之職務，況與考各員，既已積資升至三等一級稅務員，對於核算稅課，當已熟諳，無須再考算術，應將該科改爲「政治經濟常識」而將第七項甲筆試科目（四）項下之「常識」二字取消，以便就此考驗各員之器識，以視其有無主持一部份事務之才幹，堪以充任幫辦，當比算術，較有價值，所有以上修改各節，曾經奉

部核准，除訓令稅務專門學校知照外，仰即遵照辦理。此令。

## CIRCULAR No. 5574 (SECOND SERIES).

Revenue: collection and remittance: Rules and Supplementary Rules governing the Stabilisation of the Currency during the national crisis, circulating; I.G.'s remarks and instructions *in re*, conveying.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 3rd September 1937.

SIR,

1.—With reference to Circular No. 5170:\*

Apprising you of the Government Decree of the 3rd November 1935 providing for the nationalisation of silver and ruling that the bank-notes of the three Government banks—*i.e.*, the Central Bank of China, the Bank of China, and the Bank of Communications—were to be accepted as legal tender and that payment of taxes and discharge of all public and private obligations were to be effected in legal tender notes:

I circulate, for your information and guidance, copy of Kuan-wu Shu Tai-tien No. 13 of the 19th August 1937, transmitting seven rules which have been drawn up by the Ts'ai-chêng Pu for the stabilisation of the currency during the present national crisis, and also four supplementary rules which have been submitted jointly by the Shanghai Bankers' Association and the Guild of Money Exchange Shops, Shanghai, and approved by the Ts'ai-chêng Pu. In this Tai-tien you will see that the Shu state that, as the collection of national revenue has an important bearing on military and administrative expenses, moneys accepted by the various revenue-collecting offices for payment of duties and taxes should be confined to legal tender notes and bills convertible into legal tender notes, bills used solely for purposes of accounts transfers between banks and money exchange shops being unacceptable; that remittances of revenue to the National Treasury should also be made in legal tender notes and not by "accounts transfers"; and that revenue collections deposited with the various banks and money exchange shops prior to the 16th August 1937 should be remitted to the National Treasury by the various revenue-collecting offices concerned by means of "order" cheques, or through the banks or money

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\* *Antea*, vol. v, p. 521.

exchange shops holding such deposits, such remittances being effected by the remitting banks, etc., in legal tender notes and not being treated as "accounts transfers" nor subject to the restrictions laid down in Rule 1 of the Rules governing the Stabilisation of the Currency (*vide* Enclosure No. 2). You will further note that the Ts'ai-chêng Pu have informed the Shanghai Bankers' Association and the Guild of Money Exchange Shops, Shanghai, to this effect and have also notified the Central Bank of China, the Bank of China, the Bank of Communications, and the Farmers Bank of China accordingly. English translations of these rules and the supplementary rules are appended for reference (*vide* Enclosures Nos. 2 and 3).

2.—I also circulate, for your information and guidance, copy of Kuan-wu Shu Tai-tien No. 16 of the 20th August 1937, in which the Shu state that, on the representations of the Hupeh Provincial Government, the Ts'ai-chêng Pu have instructed that cheques tendered by merchants in payment of duties, and cheques drawn by revenue-collecting organs for the purpose of remitting revenue, shall not be subject to the restrictions of Rule 1 of the Rules governing the Stabilisation of the Currency (*vide* Enclosure No. 2), but that, in order to avoid abuses, when cheques to meet these specific obligations are drawn, an application is to be made out at the same time, in accordance with a form drawn up by the Ts'ai-chêng Pu, and is to be presented to, and certified by, the local Auditing Committee established by the Central Bank of China, the Bank of China, the Bank of Communications, and the Farmers Bank of China, and that in places where there is no such committee, such cheques may be cashed on production of the necessary documentary evidence that the funds are required for duty payment or revenue remittance purposes.

3.—You are requested to take note accordingly.

4.—It is not anticipated that the above instructions of the Government will necessitate any radical changes in existing Customs practice as regards duty payments and revenue remittances, seeing that it has been laid down that the restrictions of Rule 1 of the Rules governing the Stabilisation of Currency are inapplicable thereto and that it is already a long-standing Customs rule that the payment of Customs duties is a cash obligation on the part of merchants. At those ports, therefore, where the revenue is at present collected in legal tender notes, no action would seem to be called for at present, nor is any action necessary at those ports where, owing to special conditions obtaining locally, the revenue is collected in foreign

or local currency (*e.g.*, Hongkong dollars), so long as the foreign or local currency is convertible into legal tender notes for remittance to the Inspector General's Revenue Accounts at Shanghai. Duty payments and revenue remittances in actual gold units are, of course, entirely unaffected by the present rules. As regards the question of accepting cheques tendered by merchants in payment of Customs duties, as referred to in Kuan-wu Shu Tai-tien No. 16, you are requested to note that this is a matter for negotiation between the merchant and the collecting bank direct, the bank being invariably responsible to you for legal tender notes only. At those ports where the revenue collection is undertaken by our own staff, cheques are, of course, in no circumstances to be accepted.

5.—As regards remittances of Customs official funds to the Inspector General's accounts at Shanghai, it would seem unlikely that the remitting banks will insist on production by the Customs of the application certified by the Auditing Committee of the four banks specified above, referred to in Kuan-wu Shu Tai-tien No. 16, which ordinarily is required to cover cheques drawn by merchants for duty-paying purposes and by revenue-collecting organs for remittances of revenue; and, if need be, you are requested to arrange with your remitting bank to dispense with this formality when remitting Customs official funds. This should present no difficulty, seeing that the official remittance note provides adequate documentary evidence that the remittance covers official funds. In the event, however, of your experiencing any difficulties in this connexion, you are requested to apply to me immediately, by telegram, for further instructions.

6.—Finally, your attention is specially drawn to Rule 5 of Enclosure No. 2, in accordance with the terms of which you are to make immediately the necessary arrangements with your official Government bank for the issue of staff salaries, etc.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE No. 1.

財政部關務署代電關滬字第一三號 中華民國二十六年八月十九日

上海梅總稅務司覽奉部令開查非常時期安定金融辦法七條業經公布施行嗣據上海銀錢業兩公會呈陳補充辦法四條復經令准照辦在案惟國家稅收關係軍政要需各稅收機關收納稅款仍應以法幣及可以兌取法幣之票據爲限匯劃票據概不適用報解國庫稅款亦應以法幣收付不適用匯劃辦法其各徵收機關在本年八月十六日以前存儲各行莊之稅款由各該機關開具抬頭支票逕行解交國庫或委託原存款行莊匯解國庫者悉以法幣收付不適用匯劃辦法並不受安定金融辦法第一條規定之限制除分令銀錢業公會並分函中央中國交通及中國農民等銀行查照外合亟抄發非常時期安定金融辦法及補充辦法各一份電仰遵照並轉飭所屬一體遵照辦理等因合亟抄附安定金融辦法及補充辦法各一份電仰遵照並轉飭所屬一體遵照署長鄭皓

## 附二件

## 非常時期安定金融辦法

一、自八月十六日起銀行錢莊各種活期存款如須向原存銀行錢莊支取者每戶祇能照其存款餘額每星期提取百分之五但每存戶每星期至多以提取法幣壹百伍拾元爲限

二、自八月十六日起凡以法幣交付銀行錢莊續存或開立新戶者得隨時照數支取法幣不加限制

三、定期存款未到期者不得通融提取到期後如不欲轉定期者須轉作活期存款但以原銀行錢莊爲限並照本辦法第一條規定辦理

四、定期存款未到期前如存戶商經銀行錢莊同意承做抵押者每存戶至多以法幣壹千元爲限其在貳千元以內之存額得以對折作押但以一次爲限

五、工廠公司商店及機關之存款爲發付工資或與軍事有關須用法幣者得另行商辦

六、同業或客戶匯款一律以法幣收付之

七、本辦法於軍事結束時停止

#### 安定金融補充辦法

一、銀錢同業所出本票一律加蓋同業匯劃戳記此項票據祇准在上海同業匯劃不付法幣及轉購外匯

二、存戶所開銀錢同業本年八月十二日以前所出本票與支票亦視爲同業匯劃票據

三、銀行錢莊各種活期存款除遵照部定辦法支付法幣外其在商業部往來因商業上之需要所有餘款得以同業匯劃付給之

四、凡有續存或新開存戶者銀行錢莊應准以法幣或匯劃支取時仍分別以法幣或匯劃支付之

財政部關務署代電關滬字第一六號

中華民國二十六年八月二十日

梅總稅務司覽奉部皓錢滬印代電開准湖北省政府篠電開本省商人以支票完稅未便拒絕擬請變通凡徵收機關收受支票不論數目多寡准予持赴銀行照兌以期兼顧等因查稅款收支自應予以變通凡商民以支票繳納稅款及稅收機關以支票報解稅款均得不受安定金融辦法第一條之限制但爲預防流弊起見此項支取仍應按照部頒格式填具聲請書送經當地中交農四行分支行所組之審核委員會審核證明其未設有審核委員會地方得由取款者提出證明文件方得支取除電復並分行外合亟電仰飭屬一體照辦等因合亟電仰飭屬一體照辦署長鄭號

ENCLOSURE No. 2.

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RULES GOVERNING THE STABILISATION OF THE  
CURRENCY DURING THE NATIONAL CRISIS.

1.—As from the 16th August 1937 those wishing to draw on their current accounts held with the various banks, money exchange shops, etc., may draw not more than 5 per cent of their credit balance per week, and the amount so drawn may in no case exceed \$150 per week.

2.—As from the 16th August 1937 legal tender notes paid into any bank or money exchange shop for the credit of an existing account or for the opening of a new account may all be withdrawn at any time in legal tender notes without restriction.

3.—Fixed deposits which are not yet due may in no case be cashed. Should their renewal as fixed deposits be not desired when due, they are to be converted into current deposits with the original banks or money exchange shops and are thenceforth to be subject to the restrictions of Rule 1.

4.—Fixed deposits which are not yet due may be mortgaged, with the consent of the banks or money exchange shops concerned, up to a maximum amount of \$1,000 each. A fixed deposit of less than \$2,000 may be mortgaged for half of its amount, but the deposit cannot thereafter be further mortgaged.

5.—As regards deposits of factories, commercial firms, and Government offices which are in immediate need of legal tender notes for payment of staff salaries and wages or for military purposes, special arrangements may be made.

6.—Remittances of funds made by fellow banks or money exchange shops or by depositors are in all cases to be effected entirely in legal tender notes.

7.—The above rules are to remain in force until military operations are over.

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ENCLOSURE No. 3.

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## SUPPLEMENTARY RULES GOVERNING THE STABILISATION OF THE CURRENCY DURING THE NATIONAL CRISIS.

1.—Cashier orders issued by members of the Bankers' Association and of the Guild of Money Exchange Shops shall be stamped with the chop “同業匯劃” (*i.e.*, “for accounts transfers between fellow members”). Such cashier orders can only be used for “accounts transfers” at Shanghai between fellow members and are not cashable in legal tender notes, nor can they be used for foreign exchange.

2.—Orders or cheques drawn by depositors prior to the 12th August 1937 on banks, etc., which are members of the Bankers' Association or of the Guild of Money Exchange Shops shall be treated in the same way as “orders for accounts transfers.”

3.—While current deposits held with banks and money exchange shops can be withdrawn in legal tender notes subject to the limitation laid down in the rules promulgated by the Ministry of Finance, the remaining balance may be withdrawn, should it become necessary to do so for the transaction of business, by means of “orders for accounts transfers.”

4.—When new deposits, in either legal tender notes or “orders for accounts transfers,” are paid into banks or money exchange shops for the credit of existing accounts or for the opening of new accounts, such deposits may be withdrawn in legal tender notes or in “orders for accounts transfers” depending on the nature of the deposit in question.

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## CIRCULAR No. 5575 (SECOND SERIES).

**Staff: promotions and increases in pay and wages granted from 1st September 1937: temporary procedure *re* deferring issue of increases in salaries and wages during existing national crisis, notifying; I.G.'s instructions and remarks.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 3rd September 1937.

SIR,

The Government having strictly enjoined the retrenchment of all except absolutely unavoidable expenditure during the present national crisis, I am now compelled to announce the suspension as from 1st September 1937 of all increases whatever in either salaries or wages. In view, however, of the fact that delay in promotions and routine increases of pay would affect and dislocate the seniority, amount of withdrawal benefits, retiring allowances, etc., of the Service-Listed employees concerned, I have decided to continue to make nominal promotions which are normally due and for the withholding of which no reasons exist, *on the understanding that the increases of pay normally accompanying such promotions will be deferred for the time being*. You are requested to note, therefore, that, although promotions will be notified in due course by Special Gazette in the usual way, the increases of pay, etc., accompanying such promotions are not to be issued to the employees concerned till further notice. Pay, rent allowances, travelling expenses, etc., are to be issued to all such employees on the basis in force before promotion, and all cases in which there exists any doubt are to be referred to the Inspectorate for instructions before any change is made in remuneration issued.

As regards those promotions and/or increases of pay which are normally authorised upon recommendations made in accordance with the instructions of Circular No. 3894, the instructions of the present Circular apply. You are therefore requested to continue to make recommendations for such promotions and/or increases in pay as they fall due, the approval of which, subject to the provisions of this Circular, will be notified in the usual manner. A note to the effect that the issue of increase in pay granted has been temporarily deferred should be entered on the Memos. of Service and Staff Records of the employees concerned, a similar explanatory note being entered against their names in the pay sheets.

Retiring allowances and benefits due under the Superannuation and Retirement Scheme will be calculated according to the pay attached to the nominal promotion, but contributions will be collected and income tax will be payable only on pay as actually issued. Employees who joined before 1920 will, however, be liable, in the event of the issue of pension benefits during the period of suspended promotions, to the deduction from their "make-up" of interest due on the short-collected amount of their contributions.

In issuing these instructions I have every confidence that they will be fully understood and accepted by the Service in general and by the employees directly concerned in the same spirit as has been manifested on previous occasions when it has been found necessary to call upon members of the Staff to make pecuniary contributions for the assistance of the Government. I need hardly add that the issue of salaries, allowances, wages, etc., in accordance with scaled rates will be resumed as soon as circumstances permit.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## CIRCULAR No. 5585 (SECOND SERIES).

Interport duty: new procedure governing levy of, and revised Interport Tariff to be introduced from 1st October 1937; all native goods moved in China by any means of transportation which are loaded or discharged at, or pass through, places where there is a Custom House or Maritime Customs station to be charged interport duty unless already paid, etc.; instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 21st September 1937.

SIR,

1.—With reference to Circular No. 4158:\*

Notifying that, in accordance with Government instructions, likin, *extra-50-li* Native Customs duties, transit dues, both inwards and outwards, and coast trade duty were to be abolished from the 1st January 1931:

to Circular No. 4161:†

Issuing instructions, *inter alia*, that *extra-50-li* Native Customs establishments on the coast were to be administered by the Maritime Customs:

and to Circular No. 4236:‡

Notifying the introduction of a new Export Tariff from the 1st June 1931 and the retention of the former Export Tariff under the name of the Interport Duty Tariff for application to goods carried between treaty ports by vessels under General Regulations:

I have now to circulate, for your information and guidance, copy of Ts'ai-chêng Pu telegram of the 16th September and of Kuan-wu Shu Tai-tien No. 143, from which you will observe that the Government have issued instructions that a new procedure governing the levy of interport duty (which includes the introduction of a revised Interport Tariff) is to be enforced tentatively from the 1st October 1937. A full explanation and details of the new changes are furnished in the enclosed General Rules for the Improvement of the Interport Duty Collection, a translation of which is also appended to facilitate reference.

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\* *Antea*, vol. iv, p. 339.

† *Antea*, vol. iv, p. 346.

‡ *Antea*, vol. iv, p. 467.

2.—The new procedure to be introduced from the 1st October 1937 is as follows: All native goods moved in China, irrespective of the place of shipment or destination or of the means of transportation (*e.g.*, whether carried by junk, railway, highway, steamer, or aeroplane), which are loaded or discharged at, or pass through, places where there is a Custom House or Maritime Customs station, are to be charged interport duty unless this has already been paid to the Customs at some other place or unless the goods have paid consolidated tax, minerals tax, or tobacco and wine tax, in which case they are exempted from the payment of interport duty. If goods on which interport duty has been levied are later exported abroad, any difference between interport duty and export duty is to be collected or refunded in accordance with present practice. It is to be noted that, pending further instructions which are now being solicited from the Government, domestic postal parcels are to continue to be exempt from interport duty.

3.—Simultaneously with the enforcement of the above procedure, a revised Interport Tariff is also to be introduced. Copies of this Tariff have already been posted to all ports, but if they are not received at any port by the 1st October, when the new procedure and Tariff come into force, the present Interport Tariff is to be applied temporarily to all movements of native goods until the new Tariffs are received.

4.—Immediately on receipt of these instructions, a notification conveying the Government's new orders is to be issued in conjunction with the Superintendent. A telegram to the above effect was sent to all ports on the 20th September.

5.—Your special attention is drawn to the fact that the note regarding the levy of interport surtax has been omitted from the new Tariff and that this surtax is included in the new Interport Tariff rates. From the date of introduction of the new Tariff, therefore, interport surtax will cease to exist. Goods which are found after the 1st October 1937 to be covered by documents showing that duty has been collected by another Customs establishment according to the old Tariff (whether originally levied before or after the 1st October—in the latter event owing to the fact that the port of collection had not yet received the revised Tariff) are to be exempt from further levy.

6.—Special documents are now being prepared and will be supplied to ports as soon as possible to cover duty-paid native goods conveyed by routes such as rail, highway, or junk which have not hitherto been controlled by the Customs, in order to protect the goods

from a double levy. In the meantime Native Goods Conveyance Certificates may be issued in addition to Duty Receipts if considered advisable.

7.—Commissioners will have to exercise their discretion in carrying out the instructions to levy duty on goods which “pass through” places where there is a Custom House or Maritime Customs station, especially with regard to rail-borne goods. As a general rule, and unless there are exceptional circumstances which permit the Customs to take special action, duty on goods borne by rail should be levied only at places of loading or of discharge.

8.—As you will observe from § 4 of the General Rules, the Customs are authorised to establish additional stations for the collection of interport duty. Before taking steps in the matter, discretion will of course have to be exercised to ensure that the expenditure will be justified. Moreover, in view of the present imperative need for drastic economy, it is expected that ports will make up by savings effected in other directions for any additional expenditure incurred as a result of the introduction of this new procedure. Should, however, any port consider that the amount of revenue to be collected at certain strategic points where there are no Customs establishments, or only barriers at present, warrants opening additional Maritime Customs stations for the levy of interport duty, proposals are to be submitted as soon as possible by telegram.

9.—Finally, I may state that I appreciate the difficulties which will have to be faced in enforcing control over routes which have hitherto been exempt, especially at a time when the situation is so tense. It should be borne in mind, however, that the Government's intention is to increase the interport duty collection as much as possible without subjecting trade to too much restriction or inconvenience, and I feel confident that, with the exercise of caution and patience, Commissioners will be able to introduce the new procedure smoothly at their ports.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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## ENCLOSURE No. 1.

財政部電第二六二六號 中華民國二十六年九月十六日

梅總稅務司覽衆密關於整理海關轉口稅案業經本部呈奉核定試辦應由海關卽予施行除該項辦法大綱及修訂轉口稅則飭由關務署在滬發交外合行電仰該總稅務司遵照辦理部長孔次長鄒代銑關印

財政部關務署快郵代電關滬字第一四三號 中華民國二十六年九月二十日

急密梅總稅務司覽查關於整理海關轉口稅一案前經檢發整理海關轉口稅辦法大綱修訂轉口稅則電飭遵照施行在案茲奉部定轉口稅案定十月一日爲實行日期合亟電仰該總稅務司遵照辦理署長鄭哥

整理海關轉口稅辦法大綱

一、徵稅範圍 現時海關轉口稅，僅對於往來通商口岸間之輪船或航空機運輸之貨物徵收之。其由民船鐵路及其他陸運貨物，概行免徵，卽輪運貨物之往來通商口岸與內地間者，亦不徵收。以故商人每圖取巧，將原可輪運之貨物，改由其他各種方法運輸。其輪運貨物，亦多故意將由通商口岸運往另一通商口岸之貨物，改以輪船先由起運口岸運往指運口岸附近

之內地，再以其他方法轉運該口岸銷售，以圖避免關稅，因之稅項有徵有免，負擔頗欠公允，而轉口稅收，亦損失甚鉅。現時整理轉口稅，擬對民船鐵路公路及輪船運輸往來通商口岸與內地間暨內地與內地間之土貨，一律照徵轉口稅。

二、稅則 現行轉口稅則，從價部分之正附稅，合計爲值百抽七·五。從量部分向係沿用前清咸豐年間之舊稅率，按時下物價核計，平均約合值百抽二有奇。茲參酌民國二十年修正之出口稅則，分別酌加稅率，以值百抽五爲標準，藉裕稅收。

三、徵收方法 仍照現行轉口辦法，於貨物徵稅一道之後不另重徵。其已納統稅礦產稅菸酒稅等之土貨，免徵轉口稅。但各省地方政府所徵消費稅產銷稅等之貨物，仍照徵轉口稅。至已納轉口稅之土貨出洋時，則比較轉口稅則與出口稅則以差額，多退少補。

四、徵收地點 應徵轉口稅之貨物，凡在現有海關及分卡地方裝載或起卸或經過時，無論運往何地，或來自何地，亦不論其由何種方法運輸，其轉口稅均由海關及分卡徵收，海關並得於現有關卡之外，添設分卡，以便稽徵。

## ENCLOSURE No. 2.

GENERAL RULES FOR IMPROVING THE COLLECTION  
OF INTERPORT DUTY.

1. *Sphere of Collection*.—At present interport duty is levied by the Customs only on goods transported by steamer or aeroplane between treaty ports, but not on junk-borne or rail-borne goods, nor on goods transported by other routes on land. The levy of interport duty is also waived even in the case of steamer-borne goods shipped between a treaty port and an inland place. Taking advantage of the above ruling, attempts have frequently been made by merchants to evade interport duty by employing various other methods to transport goods which are normally shipped by steamer, and, in many cases of steamer-borne goods sent from one treaty port to another, such goods are intentionally shipped first from the port of shipment to an inland place in the vicinity of the port of destination, and thence transhipped to the destination by one means or another, thereby evading payment of interport duty. In these circumstances the burden of taxation is not fairly borne by all merchants alike, and the collection of interport duty also suffers considerably. In effecting improvements in the levy of interport duty, it is proposed that interport duty should invariably be levied on all native goods conveyed between a treaty port and an inland place or solely between inland places, regardless of whether they are transported by junks, railways, highways, or steamers.

2. *Tariff*.—According to the existing Interport Tariff, the aggregate amount of interport duty and surtax leviable on native goods paying *ad valorem* duty is calculated at 7.5 per cent, while, in the case of goods paying specific duty according to the old tariff rate fixed on 1858, judging from the present market price, the average rate of interport duty and surtax levied on such goods amounts to a little over 2 per cent. In order to increase the revenue, it is proposed that the rate of interport duty on such goods should be raised to an effective 5 per cent on the basis of the revised Export Tariff of 1931.

3. *Method of Collection*.—The present procedure governing interport cargo is still to be followed, *i.e.*, (a) native goods, on which interport duty has once been paid, are to be exempt from further payment of duty; (b) native goods, which have paid consolidated tax, minerals tax, and tobacco and wine tax, etc., are to be exempt from



payment of interport duty, but native goods having paid consumption tax and production and sales tax, etc., levied by the local authorities are still required to pay interport duty; (c) when native goods, on which interport duty has been paid, are exported abroad, the difference between interport duty and export duty is to be either collected or refunded, depending on whether the latter is heavier or lower than the former.

4. *Place of Collection*.—When goods liable to interport duty are loaded or discharged at, or pass through, places where there is a Customs establishment, interport duty should invariably be levied by the Customs or Maritime Customs stations as the case may be. The Customs are also authorised to establish additional stations in order to facilitate the collection of interport duty.

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CIRCULAR No. 5604 (SECOND SERIES).

**Superintendent of Customs: abolition of office and regulations governing functions of, notifying; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 14th October 1937.

SIR,

With reference to Circular No. 1942,\* Second Series:

Defining the powers and functions of Superintendents of Customs and their status *vis-à-vis* Commissioners:

I circulate, for your information and guidance, copy of Ts'ai-chêng Pu telegram of 29th September 1937 and their despatch No. 41075, from which you will see, *inter alia*, that from 1st October 1937 the Office of Superintendent is abolished, leaving at each port only the Superintendent who will stay and carry on his functions in the Custom House, that his office archives and property are to be handed over to the Commissioner for custody, that his allowance for September 1937 is to be issued at 70 per cent of the authorised amount, that his pay and allowance beginning from 1st October will be fixed and notified separately, and that regulations governing the Superintendent's functions have been drawn up and issued.

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\* *Antea*, vol. iii, pp. 77-79.

Telegraphic instructions to the above effect were sent to you on 1st October 1937, and you are now requested to note and act as follows:—

- (1) The scale of pay and allowance for each Superintendent has already been notified separately to the various ports by telegrams and despatches.
- (2) From the regulations governing the Superintendent's functions, of which an English translation is appended hereto, you will see that the duty and power of the Superintendent remain practically the same as hitherto.
- (3) The Superintendent's office archives and property, if and when handed over, may be accepted for custody, and a detailed list of particulars of such property should be drawn up and forwarded in duplicate to the Inspectorate.
- (4) While returns and reports hitherto supplied to the Superintendent should continue to be forwarded to him, efforts should be made to reduce Chinese correspondence with him to an absolute minimum.
- (5) The Superintendent should be provided with an office in the Custom House for his official use and with the service of a t'ingch'ai on your staff.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE No. 1.

財政部電第二六七三號 中華民國二十六年九月二十九日

總稅務司覽衆密查現值非常時期本部奉令厲行緊縮所有全國各海關監督署應一律裁撤仍各留監督一員分別駐在各該管稅務司署依照海關法規監督稅務司辦理關務原有關防小章應予留用其卷宗財產移交各該管稅務司署接收保管節餘經費及雜款一概解歸國庫統限九月底結束清楚至各署九月份經費應照原預算撥付七成除各監督自十月份起應支俸薪及公費另行規定飭撥並令發海關監督辦事暫行規程外仰即遵照並轉飭遵照辦理具報財政部彙秘印

財政部訓令秘字第四一〇七五號 中華民國二十六年九月三十日

令總稅務司

查海關監督辦事暫行規程業經制定公布亟應通飭施行除分令外合行抄發原規程令仰遵照並轉飭遵照此令

附發規程一份

### 海關監督辦事暫行規程

第一條 海關監督承財政部長及關務署長之命監督該關稅務司執行關務

第二條 海關監督應駐在該關稅務司署辦公

第三條 海關監督對於該關關務認為有應行改善之事項得隨時呈報部署核辦

第四條 海關監督對於該關稅務司執行關務與地方機關有所洽商時應會同辦理

第五條 海關監督對於商民聲請之事件得體察情形轉致該關稅務司照章處理或呈報部署核辦

第六條 海關監督對於有關稅則法令等事項應遵照部署命令轉行稅務司辦理其有應行佈告者並應與稅

### 務司會銜頒佈

第七條 海關監督對於部署飭查及交辦事項應專案具復察核

第八條 本規程自公佈之日起施行

ENCLOSURE No. 2.

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PROVISIONAL RULES GOVERNING THE FUNCTIONS  
OF SUPERINTENDENTS OF CUSTOMS.

ARTICLE 1.—Under the orders of the Minister of Finance and the Director General of Kuan-wu Shu the Superintendent supervises the Commissioner of Customs in executing Customs affairs.

ARTICLE 2.—The Superintendent should carry on his official duty in the Custom House.

ARTICLE 3.—When the Superintendent considers it necessary to introduce certain reforms in Customs affairs, he may submit from time to time his suggestions to the Ministry of Finance and the Kuan-wu Shu for consideration.

ARTICLE 4.—When the Commissioner finds it necessary to enter into negotiations with the local authorities in connexion with the execution of Customs affairs, the Superintendent should undertake the negotiation conjointly with the Commissioner.

ARTICLE 5.—When a request concerning Customs affairs has been received from merchants, the Superintendent may according to the circumstances either refer it to the Commissioner to be dealt with according to regulations, or report it to the Ministry and the Shu for consideration.

ARTICLE 6.—In the matter concerning Customs Tariffs and Government's Law or Order the Superintendent should transmit them as instructed by the Ministry and/or the Shu to the Commissioner for execution, and when the issue of a public notification is necessary, he should issue it jointly with the Commissioner.

ARTICLE 7.—When instructed by the Ministry and/or the Shu to make investigations into, or to undertake, certain matters, the Superintendent should submit independently his report for consideration.

ARTICLE 8.—These rules shall come into force on the date of promulgation.

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## CIRCULAR No. 5621 (SECOND SERIES).

Staff requirements: return for 1st January 1938 to show minimum staff possible and to be accompanied by statement showing staff exclusively engaged in collection of interport duty; instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 16th November 1937.

SIR,

The new procedure governing the levy of interport duty as notified in Circular No. 5585\* has naturally led to a demand for increased staff, both In-door and Out-door, from those ports where it has been found possible to put it into effect. Owing to the dislocation of trade caused by the present Sino-Japanese hostilities, I have found it possible to meet this demand to a large extent by transferring employees from the Shanghai and Tientsin Customs and from the two inland bureaux, the Customs Chief Inspection Bureau for the Prevention of Smuggling by Rail† and the Customs Inspection Bureau for the Prevention of Smuggling by Highways and Inland Waters.

As soon, however, as trade commences to recover, I have little doubt that the establishments from which these employees have been drawn will feel the shortage. On the other hand, it is by no means unlikely that certain ports have over-estimated their requirements in connexion with the levy of interport duty. At any rate, once conditions revert to normal, there will be a definite shortage of staff in practically all categories of the Service.

I have accordingly to call upon all Commissioners and officers in charge of Customs establishments, when drawing up their forthcoming Staff Requirements Returns, [F.—54], to exercise the greatest care and to report only the minimum number of staff necessary for the efficient conduct of business, irrespective of the number of staff at present actually employed. The return in question as well as subsequent returns is to be accompanied by a statement showing the number and rank of employees exclusively engaged in the collection of interport duty and an expression of opinion as to how many of these employees could safely be replaced by local employees engaged on a temporary basis, it being understood in this connexion

\* *Antea*, vol. v, p. 704.

† *Vide* I.G. Cir. No. 5282, *antea*, vol. v, p. 585.

that, unless the revenue at stake is very small, such employees should not be placed in positions of responsibility, unless it is possible for their work to be closely supervised by a member of the Service-Listed staff.

The information now called for will provide me, when the time comes, with information that will be of great use when the inevitable redistribution of staff incidental to a general recovery in trade occurs. I need, therefore, hardly stress the importance of bearing in mind the need for economy in staff at all ports, and I must ask Commissioners and officers in charge personally to satisfy themselves that the returns now under discussion are prepared with this need in mind.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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SEMI-OFFICIAL CIRCULAR No. 161.

**Superannuation and retirement: voluntary retirement: applications for, cannot be entertained during remainder of fiscal year ending 30th June 1938, notifying; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 5th October 1937.

SIR,

With reference to I.G. Circulars Nos. 3325, 3982, and 4032:

Communicating rules, etc., governing voluntary retirement: it is necessary to notify the Service that the number of applications for voluntary retirement has recently increased to abnormal proportions, thus threatening to throw upon the finances of the Customs Superannuation and Retirement Scheme, particularly during the period January to June 1938, a burden which may cause undesirable strain and dislocation.

It will be understood that under the budget system provision is made for a normal number of voluntary retirements, and that therefore only approximately the number of applications for which financial provision exists can be granted. The immediate situation is further complicated by the fact that the Government, as a war-time measure, have cut the Customs budget as originally authorised for this fiscal year by 30 per cent. Excess expenditure in Service benefits would thus prove doubly embarrassing at present.

It is laid down in Circulars Nos. 3325 and 3982 that while on completion of 30 years' service an employee is entitled to *apply* for voluntary withdrawal, the final decision rests solely with the Inspector General, and in making such decision I am, of course, guided exclusively by Service interests. Hitherto such applications have only been refused when the services of the individual concerned have been considered too valuable to be dispensed with. But, in view of the present emergency and general financial stringency and with the object of putting beyond jeopardy the maintenance of the essential functions of the Pensions Scheme, viz., superannuation and invaliding, I have now to notify that until further notice, which will be given as soon as the improvement in the general situation warrants, no further applications for voluntary retirement can be considered, and officers in charge are accordingly requested not to forward the same, explaining to the applicants the reasons why it is not possible for me to entertain their requests during the present fiscal year.

I am, etc.,

F. W. MAZE,  
*Inspector General.*



## SEMI-OFFICIAL CIRCULAR No. 163.

**Staff: resignation or application for transfer during Sino-Japanese conflict, not entertained; sick leave without proper medical certificate, not grantable; instructions.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 12th October 1937.

SIR,

With reference to S/O Circular No. 161:\*

Notifying that applications for voluntary retirement cannot be entertained during remainder of fiscal year ending the 30th June 1938:

I circulate, for your information and guidance, copy of Kuan-wu Shu despatch No. 27713, from which you will observe that the Government have instructed that during the prevalence of hostilities all civil and military officials should do their utmost to cope with the situation and are not permitted to tender resignations or to apply for transfers on the plea of family or other reasons; and that sick leave should not be granted except in cases where the illness concerned is serious and the applications therefor are covered by medical certificates indicating that those concerned are unfit for duty.

You are requested to note accordingly and to bring these instructions to the notice of your staff.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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\* *Antea*, vol. v, p. 716.

## ENCLOSURE.

財政部關務署訓令總字第二七七一三號 中華民國二十六年十月五日

令總稅務司梅樂和

案奉

財政部二十六年九月三十日秘字第四一〇八八號令開：

「案奉 行政院文五四五二號訓令內開案奉

國民政府二十六年九月十六日第六六七號令開爲令遵事案據軍事委員會代電稱查抗戰期間前方後方同屬重要在文武官佐均應加緊工作以赴機宜不得藉婚喪及其他事故請求辭職調職至患重病者非至不堪任職經醫師證明屬實者并不得假擬請通令全國文武各機關一體遵照是否有當伏候察核施行等情據此應准照辦除飭復並分令外合行令仰遵照并轉飭所屬一體遵照此令等因奉此除分令外合行令仰遵照并轉飭所屬一體遵照」

等因到署。除分別函令外。合行令仰遵照，此令。

## SEMI-OFFICIAL CIRCULAR No. 165.

**Hostilities between China and Japan: evacuated staffs,  
payment of, etc.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 30th December 1937.

SIR,

The state of hostilities which has obtained in China since July this year has now assumed so wide a range that practically every port on the coast and on the Yangtze and West Rivers has been affected. These hostilities have naturally occasioned in some places a complete cessation of trade, and everywhere very considerable disturbance of civilian life and activities. The Customs staffs, especially those in the Yangtze ports, could not avoid being involved in the results of this disturbance and many employees have already suffered grave inconvenience and even loss, while others have had miraculous escapes from violent deaths. At a number of ports the staffs have been forced to abandon their homes and are now refugees at ports where conditions are more secure. As the area of fighting spreads, dislocation of trade also spreads, resulting in still further diminution of revenue, while the number of Service refugees is likely to increase. In such circumstances the question naturally arises what is the responsibility of the Service not only to those of its members who have thus been obliged by *force majeure* to leave their posts and to abandon their homes, but also to its members generally? In examining this question I have to request all members of the Staff, both Chinese and foreign, to bear in mind that the amount of funds at present at our disposal is strictly limited, and that the utmost care will have to be exercised to ensure that only what is absolutely essential is made a charge on those funds. Salaries, naturally, fall under this heading, and I should like to state that for the present and so long as I have the necessary funds, and so long as such funds are obtainable, I will endeavour to arrange that salaries are paid in accordance with existing rules and regulations. Subject to the same reservation as to sufficient funds being in my hands, I will also continue to make provision for members of the Staff who are invalided or become due for compulsory retirement. House-rents, too, of those evacuees who have been appointed to the ports at which they have taken refuge will be met so long as funds permit; but in view of the heavy demand that this item makes on

our funds I must request all those drawing such allowances to do their utmost to secure the most economical accommodation possible, and to refrain from putting upon the Service the strain of having to pay the maximum issuable. In this connexion I suggest that those members of the Service living in Service-owned or Service-rented houses who happen to have spare accommodation would be conferring a benefit on their colleagues and rendering the Government no small service by placing such spare accommodation at the disposal of evacuees. Employees on transfer too at this time of special emergency are expected to consult Service interests by taking whatever travelling accommodation may be available instead of wasting both time and money by waiting for a more luxurious type of accommodation to which in normal times they may be entitled.

What has been written above is meant to assure the Staff that whatever can be done will be done to ensure that all rightful claims for salary, etc., will be duly met so long as funds are available; but at the same time it must be clear to all that when there is so much uncertainty as at the present it is only wise that each individual should prepare for possible emergencies by studying personal economy and by putting aside as much as possible for the future.

Claims for compensation for losses incurred owing to forced evacuation cannot be entertained.

A copy of this S/O Circular is to be placed in your Order Book.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## CIRCULAR No. 5648 (SECOND SERIES).

**Staff: Miscellaneous (Non-Service-Listed):** employees engaged on a temporary basis not actually performing useful duties, services of, to be dispensed with; instructions.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 18th February 1938.

SIR,

With reference to S/O Circular No. 155:

Notifying, *inter alia*, the Executive Yüan's instructions concerning the necessity for economy:

I have to inform you that, in furtherance of the above instructions and in view of the uncertainty of the political situation, I have decided to dispense with the services of all employees engaged on a temporary basis who are now no longer actually performing useful duties. You are therefore requested to investigate the nature and extent of the duties being performed by employees of this category in the establishment under your control, and, in the event of it being found possible to dispense with the services of any such employees, they are to be discharged with pay to date plus half a month's pay for every year served, with a minimum of one month's pay in the case of employees having served two years or less. In this connexion fractions of a year are to be counted as one year. Your attention is particularly invited to "temporary" staff serving on board preventive and lights-tending vessels, converted puff-boats and launches. It is believed that the services of the majority of these employees, with the exception of cabin hands on vessels still functioning to a limited extent, can be dispensed with, their posts being filled, in the case of lights-tending vessels, by members of the permanent staff transferred from preventive vessels at present seized or immobilised; similarly, skeleton crews for maintaining puff-boats, launches, etc., in condition should be easily procurable from the preventive vessels immobilised either at your port or at neighbouring ports, and in this connexion Commissioners of ports where there are no preventive vessels on which to draw are to make the requisite arrangements with their colleagues at the nearest port on which such vessels are based. Similarly, Non-Service-Listed Miscellaneous Staff refugees from evacuated ports should, whenever possible, be availed of to replace temporary staff at your port.

Complete lists showing the names and ranks of employees discharged in accordance with the above instructions as well as of those still remaining on the strength of your establishment, with reasons for their retention, are to be submitted to the Inspectorate in due course.

Furthermore, I have to inform you that the above instructions are not generally intended to apply to Maritime Customs stations staff or to privately engaged servants (who under the terms of S/O Circular No. 77 are of course not Service employees at all), for neither of which categories is the information called for in the preceding paragraph required. On the other hand, should any economies under these two headings be possible, Commissioners should not hesitate to effect them, treating the employees concerned in a similar manner under the authority of this Circular.

Finally, your attention is drawn to the instructions of Circular No. 4455 (P.Q.S. No. 670) regarding re-employment of men paid off through no fault of their own.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## CIRCULAR No. 5706 (SECOND SERIES).

Native Goods Yüntan: introduction of revised form of, notifying;  
instructions and remarks *in re*, conveying; I.G.'s appreciation  
of hard work and devotion to duty of all ranks of Staff  
for results achieved in connexion with the new  
procedure governing levy of interport duty.

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 3rd August 1938.

SIR,

With reference to Circular No. 5585:\*

Notifying the introduction of a new procedure for the levy  
of interport duty from the 1st October 1937:

and to Circular No. 5595:

Intimating that a special form of Native Goods Yüntan,  
[C.—285], had been issued to serve as proof of  
interport duty payment for goods conveyed by routes  
other than shipment under General Regulations, and  
issuing instructions regarding the procedure to be  
adopted:

I have to inform you that the reports submitted after three months' experience of the new system show that the tentative procedure laid down in Circular No. 5595 has proved generally satisfactory and should therefore be continued. Certain amendments, however, have been found desirable in the form of Yüntan. A new form has accordingly been drawn up, based mainly on ports' recommendations, and a *pro forma*† is now appended.

As will be observed, the style of the form has been changed to enable fuller particulars to be entered. In view of the additional space now provided, special care will have to be taken to prevent unauthorised additions. A bold indelible line will therefore have to be drawn immediately below the bottom entries, and the total number of packages should also invariably be filled in in "big" characters (大 寫).

The new forms will be supplied, on requisition to the Statistical Secretary, as soon as the present stock is exhausted. Ports which are using locally printed forms, owing to the present difficulty in obtaining supplies from Shanghai, should see that the attached *pro forma* is followed when new forms have to be printed.

\* *Antea*, vol. v, p. 704.

† Not printed.

I wish to state, in conclusion, that I am glad to note that ports have been able to introduce the new procedure for the levy of interport duty satisfactorily and with a minimum of friction. As was to be expected, special measures, particularly in regard to the procedure for applying for and releasing cargo, etc., have had to be devised in certain places to cope with peculiar local conditions, and Commissioners will have to continue exercising their discretion in such matters, so long, of course, as they are satisfied that important principles are being observed and that any special steps taken will not cause difficulties to other Customs establishments. The results so far achieved in the collection of interport duty in accordance with the new procedure have been most gratifying and reflect great credit on the administration of the various ports under very difficult conditions. I take this opportunity of expressing my appreciation of the hard work and devotion to duty which all ranks have shown.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

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#### SEMI-OFFICIAL CIRCULAR No. 172.

**Customs Service: vigilance, resourcefulness, and loyalty of Inspector General and Staff in administration of, during national crisis:  
H.E. Dr. H. H. Kung's appreciation of, conveying.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 6th June 1938.

SIR,

I have received a letter from His Excellency Dr. H. H. Kung, Minister of Finance, conveying his appreciation of the work performed by the personnel of the Customs Administration during the present crisis. I quote the following extracts therefrom for the information of the Staff:—

“ . . . I want you to know that I appreciate the admirable  
“ work which you and your associates in the Customs Service are  
“ doing under the present trying conditions. Perhaps never in the



“ history of the Customs has the situation called for such delicate, “ careful and yet courageous handling. Time and again the “ situation has proved disconcerting, and yet you have conducted “ your administration with vigilance, resourcefulness and a spirit of “ loyalty which afford me much satisfaction. The services rendered “ by your associates have also been gratifying and I want you to “ convey to them my appreciation.

“ Throughout the history of the Customs Administration, “ we have scrupulously and jealously endeavoured to safeguard “ its integrity; and your work as head of the Customs Service “ concerns not only the vital interests of the Chinese Government “ but also important financial interests of the Powers concerned. “ . . . Your service in the Customs is as valuable as it is “ long, and I have every confidence that, in steering the Customs “ Administration at this junction when every important step makes “ history, you will more than ever consider yourself as the guardian “ of our Customs integrity and thus add honour to your illustrious “ record. I assure you that whatever you and your associates can “ do to help me maintain the integrity and reputation of our Customs “ Administration at this difficult time will be appreciated and “ remembered. . . .”

It is satisfactory that the Government recognise the value of the service rendered by the Administration in situations of unprecedented difficulty and danger, and I am confident that the Minister's appreciative remarks concerning the various Customs staffs will be a further incentive for continued loyalty and devotion to duty.

You are authorised to show confidentially this Circular to responsible members of your staff, including the Writers, etc.

I am, etc.,

F. W. MAZE,  
*Inspector General.*

## ENCLOSURE.

總稅務司公署機要通令第一七二號

頃奉

財政部孔部長英文密函譯開：

「（上略）方今國難嚴重，海關所處之地位日見困難，閣下及所屬海關人員，乃能以最大之努力，為適當之應付，余實極表欣慰。稽諸海關以往歷史，其間遭遇之事變，從無如此次之嚴重者，而閣下力任艱鉅，出之以審慎，應之以機警，一切措施又皆基於效忠政府之熱誠，每念賢勞，彌深佩慰。因思歷年以來，吾人對於海關，所以力持慎重態度而加以愛護者，無非為保持其行政完整起見。蓋海關行政完整，內而對於中國本身之權益，外而對於各國在華之利益，均有密切關係。然就中國之立場而論，則中國本身之權益，尤為重要，閣下主持關務，自能洞鑒及此，在目前情勢之下，雖有與各國

使節接洽之必要，但閣下當必以中國權益爲前提，而曲予維護。當此嚴重時期，舉凡動作，將垂諸史冊，故閣下應以海關完整之保持人自任，而爲閣下以往之光榮歷史中更添一頁，此爲余所深信而不疑者。至於閣下及所屬海關人員，在此非常時期，均能忠勤自矢，爲余臂助，以保持海關行政之完整及其信譽，則余將永誌不忘，希將此意密轉所屬一體知悉。」

等因。奉此，查目前時局岌岌，爲空前所未有，海關處此特殊情形之下，一切措施，至感困難，迺蒙政府溫諭嘉許，實深榮幸。奉

函前因，合亟遵令密達各該關稅務司知照，并仰密轉各級負責關員一體遵照。此後各關人員，諒能益加淬厲，共矢忠貞，本總稅務司有厚望焉。

此令。

## CIRCULAR No. 5747 (SECOND SERIES).

**War, European, of 1939: ruling *re* status and treatment of Customs employees who withdraw for national service; traditions and international character of Service to be respected by Staff.**

SHANGHAI OFFICE OF THE  
INSPECTORATE GENERAL OF CUSTOMS,  
SHANGHAI, 4th September 1939.

SIR,

It is not possible at this stage to presage how the war in Europe will affect the Service or to ascertain how many Customs employees will be called up for service by their respective Governments. In the meantime it is appropriate for me to state that I expect every member of our cosmopolitan staff to adhere to the ancient traditions of the Service and respect its international status. I may point out here that members of the Service should re-read Circulars Nos. 662 and 2254 referring to certain general principles which ought not to be lost sight of at the present time.

I can appreciate the fact that many employees of all nationalities are anxious to join the colours, and, while fully recognising the spirit and sentiments evinced, I think it advisable to state that, before definite steps are taken in the matter, the views and requirements of their respective Governments should be ascertained. And it may be recalled in this connexion that Sir Robert Hart has placed on record that any service of a warlike nature is not only not permitted but is expressly forbidden in the case of all whose names appear in the Customs list (*vide* Circular No. 662).

Employees who withdraw for military service will be treated in accordance with existing rules concerning resignation; they will be paid to date of withdrawal; their contributions, *plus* accrued interest, will be refunded; and those who have completed a first period of service will receive proportionate retiring allowances. While I am not in a position to give a definite undertaking of more favourable treatment in respect of re-employment, I will, nevertheless, exercise every endeavour to arrange for re-employment, provided that circumstances and Service requirements render such a course possible.

I am, etc.,

F. W. MAZE,  
*Inspector General.*







**PRESIDENT'S  
SECRETARIAT  
LIBRARY**